

U.S. industrial output index moves up 1.4%

By DAVID BELL

WASHINGTON, April 14.

THE U.S. index of industrial production climbed 1.4 per cent last month, the sharpest increase for a year and further evidence, according to Administration economists, that the economy may be more healthy than has been assumed in the past two months.

The Federal Reserve, which issues the production figures, said they reflected milder weather and the settlement of the coal strike and that last month's gain was the largest since the 1.6 per cent increase in March, 1977.

To-day's figures are bound to add some weight to those inside the Administration who are arguing along with Mr. William Miller, the chairman of the Fed, that there may be a case for delaying all or part of the \$24bn. net tax cut which the Administration is still urging Congress to pass by October 1.

Mr. Miller suggested earlier this week that the cut should be delayed for perhaps three months as part of an effort to get the Federal deficit below the \$60bn. ceiling set by President Carter in his anti-inflation speech on Tuesday.

There were indications to-day that, despite Administration insistence that the tax cut should go ahead, some industrial members of the economic policy group believe that perhaps \$5bn. of it should be withdrawn while others share Mr. Miller's belief that the whole package should be delayed.

However, the President and his advisers are understood to be waiting to see the shape of the first quarter Gross National Product figures before making any decision and Mr. Jody Powell, the President's Press Secretary, said yesterday that the Administration has no inclination "at the moment" to withdraw the tax cut.

Until now, senior officials have been arguing in public that by next October, the economy will need extra stimulus and that business will need the investment incentives built into the tax package.

Mr. Michael Blumenthal argued forcefully that this was the case at a news conference this week but there are now reports that the President may be having second thoughts.

Steelmakers win ruling on imports from Japan

By David Lascelles

NEW YORK, April 14.

THE U.S. steel industry has won a technical but significant victory in its campaign to stop cheap imports from Japan. The International Trade Commission, an independent Government agency, has ruled that carbon steel plate from Japan is injuring domestic producers.

The ruling, which complements the U.S. Treasury decision last year that five Japanese steelmakers were dumping steelplate, paves the way for the imposition of anti-dumping duties.

But it is largely technical since the steel price trigger mechanism designed to protect U.S. steelmakers against cheap imports came into effect in February, some time after the investigation into carbon plate started following a complaint from Gilmore Steel, a West Coast producer.

Under the trigger mechanism, the Treasury sets prices for steel imports based on Japanese production and transport costs.

Having secured that, the U.S. industry agreed not to make further dumping complaints.

However, the ITC ruling could result in formal duties on Japanese carbon steel imports to guarantee they remain above the trigger levels.

Tokyo calls off friendship talks with China

By COLINA MACDOUGALL

JAPAN YESTERDAY put off talks on a proposed treaty of peace and friendship with China after Peking refused to withdraw 20 fishing boats which had again sailed into disputed waters around the Senkaku Islands. Japanese patrol boats and aircraft continued to keep a watch on the area.

On Wednesday about 100 Chinese fishing boats, some armed with machine guns, had sailed within the 12 mile limit around the Senkaku, or Tiaoyu, Islands, which Tokyo claims

were returned to Japanese ownership by the U.S. along with Okinawa and the Ryukus in 1972. Both China and the Nationalist government in Taiwan claim ownership of the islands.

Mr. Sunao Sonoda, the Japanese Foreign Minister, yesterday told the Cabinet that Japan would not resume discussions until the issue was settled. He added that it was a premeditated act by Peking and that China was very wrong if it thought it would draw

Japan into talks in this way. The Chinese action appears to have come as a complete surprise to Tokyo. It is out of character with recent trends in Chinese foreign policy which has seemed to aim at playing down sensitive issues in its search for improved relations with the West.

Mr. Sonoda said that the Japanese Government would not be deterred by the Chinese action from continuing to work for the improvement of relations with the Chinese on the question of the Senkaku, which was the issue that could be shelved so as to remove a stumbling block from the negotiations over the peace and

friendship treaty. While Chinese officials in both Tokyo and Peking have countered Japanese protests by referring to their Government's 1971 statement affirming Chinese ownership of the islands, there has been some hesitation on the Chinese side. Peking's ambassador to Japan, when interviewed yesterday, said he had not received any instructions from his home Government and that the situation would be clarified shortly. In Peking, a Chinese official

said he would investigate the issue. The Chinese Ambassador to Tokyo added that he thought the situation might have something to do with statements some Japanese had been making in the last two weeks, presumably implying that the action was intended to bring pressure on those who oppose the treaty because of trade links with Taiwan. However, the sharp reaction of the Tokyo Government makes it seem unlikely that such tactics will work.

Carter holds policy session

By OUR OWN CORRESPONDENT

WASHINGTON, April 14.

PRESIDENT CARTER has invited most of his Cabinet and some senior aides to a two-day session at the presidential retreat in Camp David to "talk things over" this week-end following the barrage of criticism that has been directed at the Administration from all sides.

The meeting coincides with a new New York Times-CBS poll which shows that only 46 per cent of the American people

think the President is doing a good job and that he gets poor marks on every issue from the Middle East to the economy. At the same time, the Administration has no certainty now that it will even see the second Panama Canal Treaty through the Senate. Opinions vary about who is to blame for the problems that the President and his Cabinet face. There is no doubt that the President's lobbying has been ineffective at times and that he

Ghana detains top politicians

The Ghana Government has ordered the arrest of 17 leading politicians, apparently because they oppose official plans for a "union government" in last month's general elections.

Among those arrested are Mr. Komla Gbedemah, a former Finance Minister, Mr. Victor Owusu, a former Attorney General, and Mr. William Ofori Atta, a former Foreign Minister. The arrests follow a banning order earlier this month on the political organisations formed to fight the plans for a "union government" which the government describes as effectively a "no-party" state but its opponents allege is a device by the military government to keep itself in power.

Britain rejects Community ultimatum on tachographs

By GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, April 14.

BRITAIN TO-DAY rejected an EEC ultimatum to comply with Community rules which require heavy lorries and coaches to be fitted with tachographs, a device used to measure the time spent by a vehicle in motion and at rest.

The Government's refusal sets the scene for a major legal battle with the EEC Commission, which is almost certain to take Britain to the European Court of Justice on charges of failing to carry out its obligations under the Rome treaty.

A Commission spokesman said he expected a decision to be taken later this month on whether to prosecute the U.K.

Lawyers in Brussels do not rate Britain's chances of winning a case like this. They believe the facts of the case are fairly clear-cut and point out that the court has tended in the past to uphold the Commission in actions brought over alleged breaches of the treaties.

The tachograph has been required by EEC law on all new heavy goods vehicles and passenger vehicles as well as on older vehicles carrying dangerous goods since the start of 1976, and not be met within the Government's plans for the introduction of a system of checks already in force in the U.K. to ensure compliance with the law on drivers' hours and that Britain had opened more than 80 tachograph proceedings against Britain last October. In mid-February, it issued a "reasoned opinion" warning Britain that it had two months to conform with the tachograph rules. These data from 1976, three years before the U.K. entered the Community, are in force in all other countries except Ireland, against which proceedings are also pending.

In its reply, sent to the Commission to-day, the Government

Commodity fund talks may resume in July

By David Housage

NEGOTIATIONS between industrialised and developing countries on setting up a Common Fund to stabilise commodity prices could be resumed in July with the prospect of a successful conclusion. Mr. Shridath Ramphal, the Commonwealth Secretary General, declared in London yesterday.

He made this assessment on the basis of the exchange of views between 33 Commonwealth delegations at a two-day ministerial meeting with a view to closing the gap between the two sides. The UNCTAD secretariat has set July as a tentative date for resuming talks. But this has so far been treated with scepticism by the West which fears a repetition of the breakdown last November.

Mr. Edmund Dell, Secretary of State for Trade, said that if the conference had been a negotiating session there was sufficient common ground for the delegations present to have established the framework of a Fund between them.

As it emerged at the conference, the principal point of difference remains the insistence by developing nations that the official finance for the Fund should include direct Government subscriptions. Developing countries are pressing for this to ensure that the Fund could hold its own as an international institution and could act as a ginger group in promoting new commodity agreements. They took it as a welcome sign that Britain and Canada, as reflected in the final communiqué for the first time, appeared willing to seriously consider the possibility of direct contributions. British officials emphasised there was a firm commitment.

David Tubb, Malaysia's Minister for Primary Industries, said yesterday that his country's experience with the tin agreement suggested that commodity associations would not have sufficient surplus cash to make a Common Fund workable without additional resources from Government.

Mr. Dell's argument has been that deposits from commodity associations and borrowing on the basis of government guarantees should leave the Fund with ample resources without government contributions.

The conference was in general agreement on the need for a second window for the fund to aid the poorest nations—a point still in dispute last November but on which the communiqué reflected a compromise.

Developing nations were much encouraged by the support for their case being extended by Australia which now sees common cause in lining up with Asian nations to oppose the growing protectionism of the EEC.

Zia seeks Government changes

By SIMON HENDERSON

ISLAMABAD, April 14.

PAKISTANI POLITICIANS representing all parties are meeting in Rawalpindi with the military ruler General Zia ul Haq on Saturday morning to discuss the formation of a national government. Informed sources say General Zia wants such a quasi-civilian government to be formed before he leaves for a state visit to Saudi Arabia on Sunday.

Observers in Pakistan see this as a means of spreading responsibility if former Prime Minister Ali Bhutto's appeal to the Supreme Court against a death sentence fails, and if any appeal for clemency is turned down.

Leaders of the former opposition National Alliance and the independent Tehrik-i-Islahati Party have shown some enthusiasm for such a civilian government first suggested last month. The People's Party, once led by the condemned Mr. Bhutto, is against any co-operation with the army, but a faction led by a former minister, Maulana Kausar Niazi, has broken away and calls itself the "Real People's Party". This faction has said it will work with the army if it is for the good of the country.

A possible embarrassment for the military is the boycotting of any such administration by the National Democratic Party (NDP). Its effective leader, Mr. Wali Khan, is understood to be strongly opposed to any "deal" with General Zia unless the regime makes an explicit commitment to democratic elections.

Saturday's meeting is expected to discuss the distribution of portfolios and how a national government could fit in with the Advisory Council of bureaucrats and senior generals.

The politicians expected to join the government are even more anti-Bhutto than General Zia himself and would be more resistant to pressure by foreign governments that mercy should be shown.

Calm in Beirut after ceasefire

Calm prevailed in Beirut's southern suburbs yesterday after a ceasefire ended five days of fierce fighting in which 100 people were believed to have been killed and scores wounded. Ismail Hijiwi, a former Lebanese Minister, said that the Arab Peacekeeping Force had taken up positions between Christian and Muslim forces.

French jobless increases again

By DAVID CURRY

PARIS, April 14.

FRENCH UNEMPLOYMENT rose in March for the second month in a row, reversing its pre-electoral improvement. This seasonally adjusted rise of 2.7 per cent to 1,070,000 was added to union fears that companies may take the Government's emphasis on restoring the finances of the corporate sector as an invitation to shed labour in loss-making sectors.

Although the Ministry of Labour said the rise was a normal seasonal phenomenon, it admitted the figures were "pre-occupying".

The fact that more than a third of those out of work were below 25 years old persuaded the Government to launch a new campaign to recruit young people into industry.

A similar campaign launched last Autumn is said to have found more than half a million jobs for young people. Employers have, in guarded terms, said they will try to make most of these jobs permanent.

But it also appears the price of recruiting young people to jobs before the election is the redundancy of older workers in loss-making areas later, since some companies who took on young people last year are now declaring redundancies.

Although the total represents a seasonally adjusted 2.7 per cent rise over February, the crude figures showed a 2.4 per cent decline to 1,073,000. But the worrying feature is that vacancies also declined in March by 2.5 per cent, seasonally adjusted to 90,500. If the unemployment total is added to that of short-time working the whole picture looks gloomy.

While the Prime Minister, M. Raymond Barre, has always insisted that unemployment will only improve as the economy as a whole gets better, some of his coalition partners are more impatient. The Gaullists, notably, say a return to full employment should be a priority.

M. Barre is currently discussing the Government's policy with the unions and it is generally expected that a sharp increase in the minimum wage beyond that needed to keep ahead of price rises will be conceded in May.

But the unions are likely to point out that President Giscard d'Estaing's policy of social and political "opening up" looks implausible against a background of persistent unemployment.

U.S. and Bonn discuss arms deal

By JONATHAN CARR

VIENNA, April 14.

THE ELEMENTS of a big West German American military package deal are emerging, under which Bonn would agree to the procurement of the American airborne warning and control system (AWACS) in return for further U.S. purchases of German defence material.

The principal German product involved is the Gepard anti-aircraft tank. This main stumbling block for both sides is the cost of the equipment on offer.

On his departure after a brief visit here, Mr. Harold Brown, U.S. Defence Minister, made clear the U.S. had not given up the idea of taking the Gepard as a further contribution to a "two-way street" in U.S.-European arms purchases. But he stressed the cost of the tank needed careful examination, particularly in view of the fall of the dollar against the Deutschmark.

Defence Ministry sources said that in question of the purchase by the U.S. of nearly 200 of the tanks, their cost was given last year as close to DM1.7m apiece, making a total price of more than DM1.3bn. In dollar terms the package is, of course, becoming progressively more expensive.

For his part, Herr Hans Apel, the new West German Defence Minister, said that on strategic grounds alone he was in favour of the AWACS, which he intended to give earlier signal of enemy attack.

But the system was expensive. The West Germans could only produce the funds for AWACS by cutting back on defence budget appropriations for some already decided upon. This was realistic, Herr Apel said, but would not mean that Bonn needed some compensatory effort from the U.S.

Herr Apel made a similar point to the defence committee of the Bundestag earlier this week and received strong backing.

It is noted that the U.S. has agreed to take a German tank gun in the 1980s and has bought German tanks for American forces. But the Germans still point to a heavy imbalance which the purchase of AWACS would increase.

Row over Australian trade discussions

By OUR OWN CORRESPONDENT

BRUSSELS, April 14.

THE EUROPEAN Common Market's Executive Commission to-day said talks with Australia on trade problems had been postponed because of an Australian threat of discriminatory retaliation if no solutions were found.

The Commission reacted to bitter criticism of the EEC by Australian Prime Minister Malcolm Fraser in a speech in Sydney earlier to-day by summoning Australia's Ambassador to the Community, Sir James Pimlott, to a meeting with the EEC's Director General for External Relations, Sir Roy Dennis.

Sir Roy expressed "surprise and concern" at Mr. Fraser's denunciation of the EEC, according to an EEC statement after the meeting.

The statement said the two sides had agreed earlier this month to put off bilateral trade negotiations, from the second half of May to the second week in June.

Earlier to-day, Prime Minister Fraser denounced the EEC as a narrow, self-interested trading group trying to make the world dance to its tune.

EEC talks to resume

Talks on a framework trading agreement between the EEC and Comecon resumed in May. The Jenkins, President of the EEC Commission said in West Berlin where he has just concluded a two day visit, recognising Anthony Robinson, Comecon's first ambassador towards recognising the Community as a full negotiating partner took place last September when Comecon's executive committee president, Mr. Wimal Marikumbura, went to Brussels for preliminary talks. Mr. Jenkins made clear that an eventual agreement would only be a framework for specific trade agreements with individual Comecon states, not Comecon as such.

Latest MBFR plan put to the Warsaw Pact

By PAUL LENDVAI

VIENNA, April 14.

NATO HAS put forward a package of new proposals designed to break the deadlock at the 10-nation East-West Mutual and Balanced Force Reduction (MBFR) talks which began here in October 1973. Though the initiative will be formally tabled only next Wednesday at a plenary meeting, the Warsaw Pact has already been given the details at an informal meeting earlier this week.

The latest Western proposals involve concessions which, according to Western sources, should make it easier for the East to accept the original NATO proposals put forward already in December, 1975. In view of the large imbalance in ground forces and tanks in favour of the East, NATO still insists on reaching a common ceiling on ground forces. But it would now be willing to accept the principle of equal percentage cuts, once an approximate parity has been established.

Warsaw Pact forces outnumber NATO forces in the central region by 150,000 men and by 2.7 to 1 in main battle tanks.

Another change concerns the proposals favoured almost 21 years ago. At that time the West offered to withdraw 1,000 U.S. nuclear warheads and 20,000 U.S. troops from Europe, in exchange for the withdrawal of the Soviet tank army from East Germany. The new version suggests that the Soviet divisions (about 68,000 men) and some 1,700 tanks should be withdrawn not only from East Germany but also from Poland and Czechoslovakia.

At the same time the West is willing to take into account earlier Eastern complaints and to accept the obligation that participants in a second stage, following a troop cut agreement affecting U.S. and Soviet troops, the new NATO plan basically follows the ideas put forward by the West German Government almost a year ago.

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Swedish merger

SAAB-SCANIA, the automobile and aircraft manufacturer, and the defence armaments company are to merge their manufacturing operations, according to a communiqué from the two Swedish concerns. A joint company, Saab-Scania AB, will be formed, with the former Saab-Scania as the parent company.

The bulk of the companies' missile output goes to the Swedish armed forces and the production of missile development and production has been prompted by the Swedish Government.

Riots in India

At least 24 people have been killed in clashes in the northern Indian States and violence has also flared in other parts of the country, reports Reuters from New Delhi. Seventeen died when rival Sikh religious factions fought in the Sikh holy city of Amritsar in Punjab State. At least seven people were killed when police opened fire on rioting workers at a university in Uttar Pradesh. The Times of India put the death toll at Panjab agricultural university, 200 miles north-east of New Delhi, at 16.

Comecon income slows

The rate of increase in the overall national income produced by Comecon, the nine-nation economic group which includes the Soviet Union, its East European allies, plus Cuba and Mongolia, dropped last year to 3.1 per cent from 5.5 per cent in 1976. The party newspaper Pravda reported to-day. David Satter writes from Moscow, earlier this year Mr. Nikolai Fyodorov, the Comecon Secretary, gave a preliminary figure for 1977 Comecon national income growth of 6.0 per cent. No explanation was given for the new lower figure, which will make it more difficult for Comecon to achieve its overall growth target for 1978-80 of 30 per cent.

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HOME NEWS

Industrial output rises a little

By David Freud

INDUSTRIAL production seems to have recovered from the low levels toward the end of last year, though the underlying level of output shows only a small improvement.

This is in line with the monthly industrial trends survey published at the beginning of the week by the Confederation of British Industry, which concluded that there was no firm evidence of any noticeable revival in the U.K. economy generally.

The all-industries index rose 0.8 points to 103.8 in February (1970=100, seasonally adjusted) according to provisional estimates yesterday by the Central Statistical Office. The index for manufacturing industry rose 0.6 points to 103.8.

The official feeling is that these gains bring the indices back to the levels of the earlier part of last year after various disruptive factors in the closing months of 1977.

There were, however, signs of response to the recent higher level of consumer demand. Output of consumer goods like textiles, pottery, furniture and miscellaneous metal goods showed healthy increases.

Slow start

Thus was in line with the CBI findings of an increase in demand to companies producing consumer goods for the home market.

It seems to suggest the beginning of a recovery of economic growth, but with a slow start, it said.

Comparing December-February with the previous three months, there was a gain of 1.1 per cent in the all-industries index and 0.7 per cent in manufacturing industries.

The all-industries was little changed from a year previously. Manufacturing industries fell 1 per cent.

More than a quarter of the improvement in the previous three months stems from the cold weather, which increased electricity and gas consumption more than normally in the seasonal adjustment.

Other reasons for the improvement include fewer strikes, more North Sea oil, the recent production deal in the coal industry, and a higher level of car output, which has increased demand for steel products.

INDUSTRIAL PRODUCTION 1970=100 seasonally adjusted			
All Industries Manufacturing			
1976 1st	100.1	101.2	
2nd	101.5	103.3	
3rd	100.9	103.4	
4th	102.8	104.5	
1977 1st	103.2	105.2	
2nd	102.9	105.0	
3rd	102.7	103.7	
4th	102.0	102.9	
Nov.	101.4	102.1	
Dec.	102.5	103.7	
1978 Jan.	103.0	102.2	
Feb.	103.8	103.8	

Source: Central Statistical Office

Woolwich to control Grays society

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE GRAYS Building Society, which closed its doors to the public at Easter after the disclosure that £7m. was missing from its accounts, is to be taken over by the Woolwich Building Society.

The Building Societies Association, of which the Grays was a member, said yesterday that steps to permit a transfer of engagements to the Woolwich were being taken "with all possible speed."

Mr. Ralph Stow, chairman of the association, reaffirmed earlier promises that investors with the Grays would not lose their money, although it was still impossible to give any indication of when the society would re-open for business.

Losses at the £11m. society were discovered after the death of Mr. Harold Jaggar, chairman and secretary of the Grays. An inquiry on behalf of the Chief

Registrar of Friendly Societies is expected to last several months.

To cover the Grays' losses, members of the Building Societies Association have been asked to contribute towards meeting the estimated losses. Their contribution will be assessed on the size of their assets in relation to those of the entire movement.

Mr. Stow said that no society had yet said it was not prepared to help. "This is the first time that societies have been asked to secure the savings of investors in a member society and I have been heartened by their excellent response."

The readiness of societies to help will come as something of a relief to the largest societies, which were the first to be called in and to be asked for assurances that they would cover any amount eventually found to be outstanding in the Grays' accounts.

After the Grays affair—which the movement accepts has damaged its reputation in the eyes of the public—has been resolved, the question of how societies will cope with any future failures remains to be determined.

It seems certain that some form of identifiable fund will be formed by the movement to be used to illustrate the underlying security extended to investors in any of the association's 240 member societies.

The largest societies might wish to make smaller contributions towards this fund, to reflect the minimal chances of any significant failure in their own businesses.

As a result of the Grays collapse, the Chief Registrar of Friendly Societies can also be expected to call for wider powers to reduce the chances of any such incidents in the future.

Call for office sites liaison

BUILDING SOCIETIES should take steps to ensure that they do not saturate areas where they are already well represented, says Mr. Peter Robinson, assistant general manager (development) with the Woolwich Building Society, writes Michael Cassell.

Mr. Robinson writes in the Building Societies Gazette that most people can easily name several locations where there are apparently too many building society branches—even if in part due to planning constraints.

There should be close liaison between planning authorities throughout the country, and

some intermediary—such as the Building Societies Association—could regulate branch development, possibly by some quota arrangement.

Due emphasis would be placed "on the needs of a local community, rather than on the development aspirations of a proposing society."

The association could negotiate and agree with planners when a town was "full" and likewise, when a branch could be accepted, subject to a suitable site being available.

Some societies could exchange branches in the interests, for example, of local connections.

"Societies do not like giving up independence. Nonetheless, I believe that much ill-will and unnecessary expense for societies and for ratepayers would be avoided if societies could reach an agreement to co-ordinate branch development, and could approach planning bodies with cases which they knew to be acceptable in principle."

Societies generally claimed that their only method of achieving growth was to increase contact points with the public.

In addition, their branches were completely outnumbered by clearing bank outlets.

Pornography Bill is delayed

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. IAN MICKARD, the Left-wing Labour MP for Bethnal Green and Bow, was the centre of a Commons row last night when he intervened to delay the Protection of Children Bill, which seeks to introduce heavy penalties for pedlars of child pornography.

Mr. Mickard called "Object" and thus prevented the Bill automatically from going through its remaining stages without debate. As a result, the measure is in danger of being killed.

There was an angry Tory reaction, with cries of "Disgraceful" and "Shameful." Mr. Cyril Townsend (C. Berley Heath), the sponsor of the Bill, later complained that Mr. Mickard's actions were "a monstrous abuse of Parliamentary procedure."

Labour MPs were also angry at Mr. Mickard's tactics and Mr. Walter Harrison, deputy Government Chief Whip, gave Mr. Mickard a ticking-off.

Mr. Mickard is, in fact, in favour of the Bill. He took his action as protest against lengthy Tory opposition yesterday to the Employment Protection Bill, sponsored by Mr. Ted Fletcher (Lab., Darlington).

Bill goes through on Friday; then the Protection of Children Bill could follow it, and also get approval.

His Bill gives workers the right to claim for unfair dismissal when they are dismissed during union-recognition disputes.

Commission investigates CPC price rise proposal

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE PRICE Commission is to investigate a proposal for higher prices submitted by CPC, a leading producer in the U.K. of maize starch and other intermediate food products.

The company says that the increase is necessary to recover additional costs incurred as a result of transitional arrangements for Britain joining the EEC.

CPC, better known for the range of products it sells under names such as Knorr and Brown and Polson, wants to raise the prices of part of its industrial range by a weighted average of 7.34 per cent.

Products covered by the notification included maize starch, glucose syrups and glucose derived products, such as brewing sugars.

The Commission could be frozen while the Commission makes a three-month investigation. But the company said last night that it was applying for an interim increase under profit safeguard provisions written into the price controls.

This is the first time the Commission has investigated the price of an intermediate food product, but the CPC reference is in line with its policy of concentrating on market leaders.



Russian Embassy plan has rival

By John Brennan, Property Correspondent

THE BATTLE over plans for a fortress-like extension to the Russian Embassy in Kensington, London, has been joined by Bernard Sunley Investment Trust, the property and building group.

Sunley has submitted plans for a £10m.-£12m. office, shop and flats scheme on the former Royal Military Police barracks site in Kensington Church Street.

The site is the focus of a bitter row over Russian proposals for a big extension of their Embassy buildings.

The Russians plan to build a complex of offices and staff flats on the Crown-owned land, creating a Russian enclave stretching from Kensington Palace Gardens to Kensington Church Street, enclosed by a 50-foot perimeter wall.

The Royal Borough of Kensington and Chelsea's Town Planning Committee, and residents' associations, strongly object to the Russian scheme, details of which were recently revealed by Sir Brandon Rhys Williams, Conservative MP for Kensington.

Welcomed

Sunley's rival plan has been informally considered by Kensington Planning Committee, and Councillor John Cox, the committee's vice-chairman, said yesterday that "the development proposals were very much in line with our planning guidelines for the site."

He "welcomed the submission of the proposals," and has invited Michael Lyell Associates, Sunley's architects, to submit a formal planning application.

The Sunley scheme would include about 110,000 square feet of offices and a similar amount of shopping space. Well over half the barracks site would be taken up by 59 family-size flats, with a large underground car park.

Kensington's support for the Sunley plan, and its opposition to the Russians—Mr. Cox noted yesterday that "a damn great tower behind a fortress-like wall would hardly meet our planning needs"—is only the first step for the property group.

Sunley is holding talks with the site freeholder, the Crown Commissioners. But Sunley believes that the Commissioners may be under pressure from the Foreign Office to accept the Russian scheme.

Oil tanker routes in Channel face review

By Ian Hargreaves, Shipping Correspondent

A REVIEW of oil tanker routes in the Channel and its approaches is in prospect following talks yesterday between British and French Ministers.

Mr. Stanley Clinton Davis, the Trade Under Secretary, talked for two hours at Heathrow Airport, London, with M. Joel Le Theule, the French Transport Minister.

M. Le Theule presented a French plan to push tankers and other vessels carrying dangerous cargoes away further from the Isle of Wight, close to where the super-tanker Amoco Cadiz ran aground last month, than required under emergency rules introduced shortly after the accident.

The French scheme would force tankers out into the centre of the Channel approaches off Ushant, but the U.K. has pointed out that this would mean vessels making sharp turns to join existing shipping separation schemes further up the Channel.

The Ministers did agree, however, on a joint approach at next week's meeting of the safety sub-committee of the UN maritime agency, IMCO.

They will ask the agency to look at the French plan and further reviews of routing systems throughout the Channel to be undertaken later by the Anglo-French Safety of Navigation group.

Britain has also welcomed the idea of extending the French post-Amoco Cadiz requirement for forcing all vessels entering the Channel with dangerous cargoes to radio their position and load details to coastguards.

Houlder, Marathon unite to bid for oil contract

BY OUR GLASGOW CORRESPONDENT

HOULDER OFFSHORE, the Furness Withy subsidiary, has joined the Marathon Shipyard, Clydeside, in bidding for an oil-field contract in Abu Dhabi.

It would involve the provision of two jack-up maintenance rigs, which could be worth more than £25m. to the U.S.-owned Marathon.

The Houlder contract covers operations on the Zakum field. The field's development company has attracted bids from about 15 other concerns.

Houlder Offshore, which also owns the semi-submersible support rig, Uncle John, wants to become an international contractor for offshore services.

Instead of being thought of as purely a North Sea operator, the company is also competing for a contract to manage a semi-submersible maintenance and

support vessel, which Shell is planning to order shortly for its Brent complex off the east of Scotland.

It is believed that this vessel, costing around £30m., may be ordered from the Belfast yard of Harland and Wolff.

The yard is favourite to win the other main North Sea support craft contract from BP.

The Abu Dhabi contract is important for Marathon, which needs more work soon to provide continuity for their 1,200 work force.

The yard is well advanced on the two jack-up rigs for Petrodrilling Company, ordered last year after the Scottish Office and the British National Oil Corporation combined to place a speculative order and avert the yard's closure through lack of work.

Laing to quit oil platform business

BY KEYIN DONE

JOHN LAING has given up hope of securing any more oil platform orders for its Graythorpe yard on Teesside and has decided to pull out of the business.

Costly plant at its Graythorpe yards, which had been kept ready for work on new orders, was deteriorating after almost two years of use, the company said yesterday.

Overall prospects indicated a short increase in ordering later this year, followed by a continuing decline.

The yard also appears to have been left behind by the development of North Sea technology. The design of steel jackets had changed and were now less suitable for construction there, the company said.

At its peak, the yard employed 2,500 men. Laing built three steel jackets, two for British Petroleum's Forties Field and one for the Thistle Field, which

came on stream earlier this month.

But work ran out at the yard in August 1976, and since then the yard has been whittled down to 12.

Laing has decided that it would not be economic to re-equip the yard. It is, however, still looking for work for Graythorpe in other fields, such as the construction of integrated decks and floating process plants.

It said yesterday that it had "regretfully concluded that one of the most challenging phases in its history had to end."

In spite of the Laing closure it is still expected that oil platform contracts worth about £500m. could be placed by the U.K. offshore industry this year. The orders are likely to favour the remaining steel fabrication yards at Nigg Bay, Ardersier and one in Methil in Scotland.

Chapman and Rowe case jury unable to agree

FINANCIAL TIMES REPORTER

THE JURY dealing with the two remaining defendants in the protracted Chapman and Rowe stockbroking case at the Old Bailey failed to agree on their verdicts yesterday after a trial lasting three months.

Judge Neil McKinnon, QC, renewed bail for both defendants, Mr. Alan Harman, aged 34, and Mr. John Michael Goodsell, 35, after discharging the jury from service.

It is expected that there will be a conference next week between Mr. Neil McKinnon, QC, and Mr. Timothy Cassel, prosecuting counsel, and the City Police to review the position.

A report will then be made to the Director of Public Prosecutions, with whom the question of any re-trial rests.

Mr. Harman, who joined Chapman and Rowe as a partner in 1970, and Mr. Goodsell, who was managing clerk, still face the indictment of 10 counts covering conspiracy to defraud clients and other offences.

Four other former partners who were put on trial with them, when the hearing began at the Old Bailey in January, have now been cleared of all these charges.

They are Mr. George Miller, aged 38, and Mr. Ralph Clarke, 39, who were acquitted by the jury last on Wednesday, and Mr. Victor Andrews, 33, and Mr. John Gordon, 37, who were found not guilty on the judge's direction six weeks ago.

Long wait

The ordeal of waiting for the verdicts began four days ago for Mr. Harman and Mr. Goodsell. The jury spent three successive nights at an hotel during their deliberations.

Finally, the jury of eight women and four men returned to court at 3.45 p.m. and said that they found it impossible to reach any verdicts.

The judge said that it was clear that they had reached "the limit of human endurance," and that "in this interest of justice, they should be discharged."

The two men were alleged to have conspired to defraud clients by unlawfully pledging securities in 1973-74 to avoid the collapse of Chapman and Rowe, which was hampered with a near £2m. deficiency in April, 1974.

The Moscow, Norodny Bank was one of its biggest creditors, and evidence on this was given during the trial.

The affairs of the firm are now in the hands of Mr. Richard Thompson, the Stock Exchange's Official Assignee, who as trustee of its estate, will make a report to the Stock Exchange Council on the outcome of the trial.

New Court International Fund United States of America -an opportunity to invest

Successful investment depends on correct timing. Recent press articles have argued that U.S. securities offer good value at current depressed prices. A recovery in prices could occur suddenly, as happened in the U.K. in 1975, and investors may wish to establish their position before a recovery takes place.

New Court International Fund now has over 80 per cent of its assets invested in the United States. The portfolio emphasises good quality companies with growth prospects, whose share prices are relatively low by historic standards.

About the Fund

New Court International Fund offers private investors a convenient way of investing in a portfolio which is professionally managed by Rothschild Asset Management and has National Westminster Bank as Trustee. The fund is authorised by the Department of Trade and qualifies as a 'wider range' investment under the Trustee Investments Act 1961.

How to Invest

To purchase units simply complete the application form opposite and send it with your cheque (minimum £500) to the address shown.

The units are valued, and may be bought and sold, daily at the prices shown in leading national newspapers. You should remember that the price of units and the income from them can fall as well as rise, and you should regard your units as a long term investment.

General Information

The prime objective of the Fund is capital growth. In consequence the units issued are normally accumulation units. If however you prefer income to be paid to you, you should tick the box provided in the application form. On the basis of current dividend rates and the offer price of units at 15th April, 1978 of 84.5p, the annual gross yield of the Fund calculated in accordance with the Department of Trade Formula is 1.58 per cent. Accumulations and distributions of income are made on 15th September in each year.

Accounts. The financial year of the Fund ends on 15th July, and audited accounts are normally circulated by 15th September. Half-yearly statements made up to 15th January are also circulated.

Charges. A preliminary charge of 1.5 per cent is included in the buying price of units. The annual Management Fee is at the rate of 1 per cent per annum plus V.A.T., based on the value of the deposited property. Commission. The commission for units issued will be paid to applicants at their own risk within 21 days of receipt of their application by the manager.

Taxation. (a) Income. The tax credit relating to the distributable income of the Fund will be credited to the unit holder's income tax account. (b) Capital Gains. The tax credit relating to the distributable capital gains of the Fund will be credited to the unit holder's income tax account. (c) Dividends. Dividends will be paid to unit holders in the form of a cheque or by direct credit to their bank account. (d) Withdrawals. Units will normally be issued. Please tick box for income units. (e) Withdrawals. Units will normally be issued. Please tick box for income units. (f) Withdrawals. Units will normally be issued. Please tick box for income units. (g) Withdrawals. Units will normally be issued. Please tick box for income units. (h) Withdrawals. Units will normally be issued. Please tick box for income units. (i) Withdrawals. Units will normally be issued. Please tick box for income units. (j) Withdrawals. Units will normally be issued. Please tick box for income units. 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HOME NEWS

House building
land prices
'rising sharply'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

LAND PRICES were beginning to rise steeply again, as they did in 1971, the National House-Building Council, the housing industry's "watchdog," said yesterday.

The council reported that land for housing development was being sold for anything up to £100,000 an acre.

Prices like this meant that builders were having to erect smaller houses and could spend much less on items such as landscaping.

Mr. Andrew Tait, director general of the Council, which released figures to show that private housing starts in the first three months of 1978 were 40 per cent higher than in the same period last year, said demand for home ownership remained very strong.

Private housing could help ease unemployment, without public spending, if local authorities could make available much more land.

Raising annual output from 140,000 units a year to the 180,000 envisaged in the Green Paper on

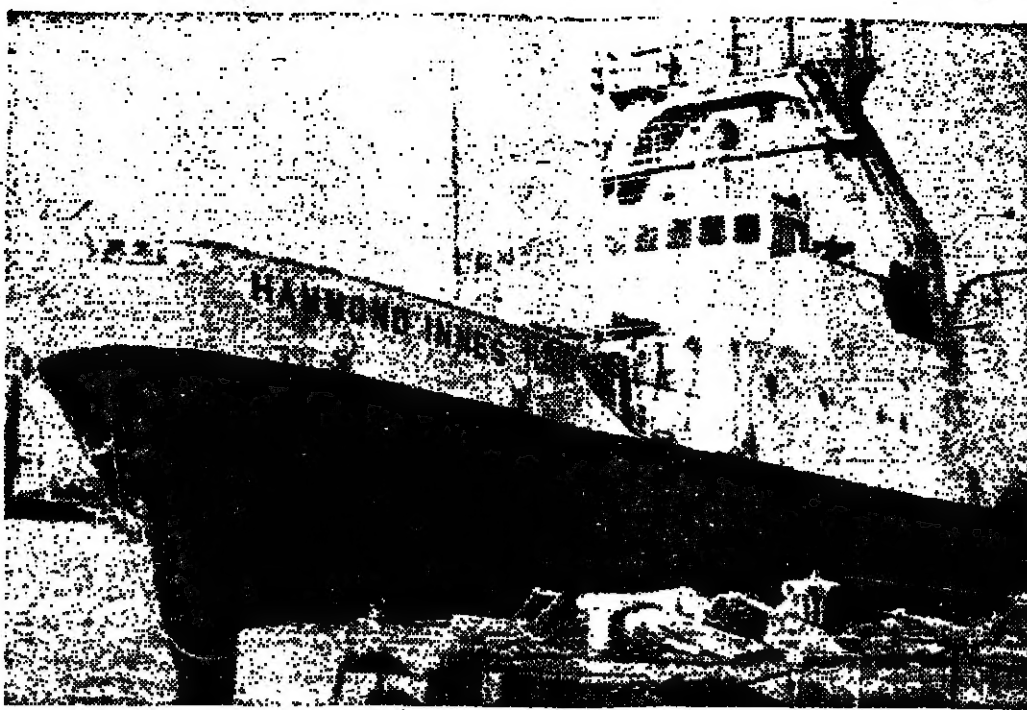
housing policy would provide 100,000 more jobs.

"The planning system is producing a poor deal for home buyers and a poor environment—the very opposite of what is intended. The answer is to release much more land until land prices fall. This would not mean that more land is used, because that is controlled by densities which planning officers lay down."

More Concorde
flights soon

BRITISH AIRWAYS has confirmed an expansion of Concorde services between London and New York with flights increased from seven to ten a week from June 1.

The three extra flights will mean twice-daily departures on Tuesdays, Thursdays and Saturdays with the new services leaving London in the late afternoon and returning from New York the following day.



Strike strands research ship

BY RHYS DAVID, NORTHERN CORRESPONDENT

A VITAL part of Canada's fishery research programme for the year may be lost because of a dispute involving three fishermen at a shipyard in Inmingham, Humberside.

The dispute began in February at the Humber Graving and Engineering Company's yard and because of it a former Hull Stern trawler, Hammond

Innes (above) has been stranded.

The trawler was being converted on behalf of Christensen Canadian Enterprises for charter to the Canadian Government's Fisheries Department.

The 180 feet long vessel entered the yard shortly before Christmas and only 10-12 days of work stipulated in the contract remains to be completed.

It was due to be handed over for further specialist fittings in Canada in March and start work for the Canadian Government with six scientists on board by early April.

Christensen said that it had suffered considerable financial loss because of the hold-up and was now facing the possibility of the contract for which the vessel was bought.

More serious, it could set back by a year the research programme being undertaken by the Canadian authorities in the North Atlantic to assess fish stocks from George's Bank to Newfoundland.

Results obtained from the Hammond Innes were to be used in setting quotas under the bilateral deals which Canada has reached with other fishing nations to operate within its 200-mile fishing zone.

The dispute at the yard began with the dismissal of three foremen members of TASS, the white-collar section of the Amalgamated Union of Engineering Workers, for alleged disciplinary reasons.

The dispute has also trapped a British Rail Sealink ferry, in for a routine check.

State oil
told
to make
profit
next year

BY KEVIN DONE

THE BRITISH National Oil Corporation has been given the target of making a net profit next year on the terms of a short-term financial objective set by Mr. Anthony Wedgwood Benn, Energy Secretary.

The corporation's investment decisions should be aimed at securing a commercial rate of return, Mr. Benn said yesterday in a written Parliamentary answer.

In the short-term, its profitability would depend on the price of oil and on the start-up and build-up of production from fields on which development decisions were made before it was created.

The corporation had been involved in massive continuing expenditure which could produce revenue on a large scale only in the 1980s. Further big expenditure on new developments was expected in the next five years.

The Government is anxious to set financial targets for those State corporations which do not already have them. But Mr. Benn said that a long-term objective for the oil corporation should be deferred until the scope of its operations in the 1980s became clearer.

Financial objectives for 1980 onwards should be set by the summer of next year.

The corporation's finances and, especially, its relationship with the national oil account, are assured of close scrutiny next week, when Sir Jack Rampton, Permanent Under-Secretary at the Department of Energy, gives evidence to the public accounts committee.

The select committee will have before it the latest report on the national oil account, prepared by Sir Douglas Henley, the comptroller and auditor general.

Limit

The report raises questions about the manner in which the corporation has made substantial borrowings, including the \$825m loan raised in the U.S. last year.

The national oil account records the flow of all money between the Government and the corporation, whose borrowing limit is set at £800m, or \$800m, if specific approval is gained from the Commons.

Sir Douglas questioned the Department of Energy during his audit of the national oil account, and was told that the U.S. loan, because it was based on the proceeds of forward sales of oil, was not a borrowing that fell within the £800m limit. It was rather a common commercial practice used by the oil and other energy industries.

Sir Douglas was clearly concerned whether Parliament should have been informed of the move.

Government policies could signal the loss of the exploration talent that has led to present oil development in the North Sea, Mr. Tom King, Shadow Energy Secretary, said last night at Bridgewater.

"This Government has successfully coaxed, scolded and blackmailed its way into gaining a commanding position for the British National Oil Corporation in the licences issued for the North Sea."

BOC opens new
£3m. welding
equipment plant

Financial Times Reporter

A NEW BOC welding equipment factory in Thanet was opened yesterday by Mr. Alan Williams, Minister for Industry.

The 13,000 square feet plant will produce a range of arc welding and ancillary equipment.

Costing £3m., of which the Government paid about a third, it is part of a £10m. investment programme by the London-based engineering company's welding and cutting division.

The programme has already led to the construction of new factories at Andover and Skelmersdale, as well as modernisation at the Waltham Cross works.

LABOUR NEWS

Leyland workforce
meet to consider
redundancy terms

BY ALAN PIKE, LABOUR CORRESPONDENT

WORKERS AT Leyland's Mr. Charles Skinner, plant assembly plant at Speke meet director, said last night, that his morning amid indications he hoped common sense would prevail and that the Speke workers would consider the long-term effects, before reaching any decision, to oppose the closure.

A week ago, Speke shop stewards were divided on whether to accept the closure as inevitable or to fight it. It is possible that the disappointed reaction to the redundancy terms will strengthen the hand of those still wanting to campaign to keep open the factory.

National union leaders on Thursday deferred taking a decision on the Speke closure and will be heavily influenced by tomorrow's mass meeting when they consider the issue again later this month.

A mass meeting of men at Leyland's Oxford service and parts depot has been called for Monday after the dismissal of Mr. John Power, a leading shop steward and Oxford district president of the Amalgamated Union of Engineering Workers.

Close redundancy
loopholes—APEX

BY NICK GARNETT, LABOUR STAFF

THE ASSOCIATION of Professional, Executive, Clerical and Computer Staff said yesterday that the TUC will have to propose changes in the law if the action by Spillers in failing to consult unions before announcing 8,000 redundancies is found to be legal.

In a letter to Mr. Len Murray, the TUC general secretary, the union says Spillers, which is closing 23 of its 25 bakeries, has at least avoided its responsibility under the law to provide a 90-day consultation period.

Miss Rita Stephen, the union's executive secretary, said in the letter that other employers could follow the Spillers' example and "sidestep" legislation on redundancy.

"It appears that the law concerning the protection of employment for individuals and communities can be circumvented remarkably easily."

Butter cargo row halts
work at Cardiff Docks

BY ROBIN REEVES

A STRIKE by more than 250 dockers has halted work at Cardiff Docks.

The dispute is over the unloading arrangements for a cargo of New Zealand butter. The docks management, at the request of a London oil store, asked for a different pallet stacking from usual, which the dockers claim contravenes a written agreement.

The ship docked at Cardiff over a week ago and there were long drawn out discussions before the men walked out on Thursday.

Local union officials think that the dispute could last for at least a week.

Arbitration Committee
cases rise to 1,030

THE ARBITRATION Committee, set up to resolve industrial disputes, has reported that it has received 1,030 cases this year, an increase from 1,000 cases last year.

Of last year's cases, 196 were withdrawn and 308 awards were made. A further 102 cases had been heard by the end of last year, and were either in the report stage or adjourned.

The balance carried forward into this year was a "formidable 563," the report said.

It attributed the large increase in workload to continuing pay policies and the introduction of Schedule 11 of the Employment Protection Act 1976. This allowed cases of disputes by trade unions and employers to be referred to the committee.

On the Equal Pay Act, the committee claimed greatest success in eliminating discrimination found in collective agreements and wage structures, where the "overwhelming majority" of applications were upheld.

In many of the committee's cases, there was no area of dispute by trade unions and employers, but in a period of pay restraint, the committee could not settle issues by normal collective bargaining.

THE LAW LAND COMPANY, LIMITED

GROUP'S BUSINESS—Investment in and development of real property in United Kingdom, Australia and Belgium with subsidiary interest in property trading.

TURNOVER 1977 £ 4,890,641 1976 £ 4,875,516
Investment 4,890,641 4,875,516
Trading 4,890,641 4,875,516

PROFIT after taxation, minority interests and transfer from Capital Reserve of £240,000 (1976 £31,000) relating to development properties 639,164 425,215

EARNINGS per 20p Ordinary Share 1.50p 1.21p

ORDINARY DIVIDEND per share for the year 1.00p 2.217p

COST OF ORDINARY DIVIDEND payable on 35,258,333 ordinary shares (1976 on 34,863,818) 352,583 803,867

UNDISTRIBUTED PROFITS carried forward 848,164 671,436

PROPERTIES Investment 49,487,332 52,611,870
Trading 9,741,143 9,818,437

The directors estimate that a valuation on an open market basis of investment properties would show a net surplus in excess of £3 million over the book value.

Trading properties are stated at aggregate cost, which is lower than the directors' estimate of aggregate valuation.

REGISTERED OFFICE
Brettenham House, Lancaster Place, London, WC2E 7EP.

Matthews Wrightson
Holdings Limited

Insurance, Shipping, Air Broking and Rural Land Use

PRELIMINARY ANNOUNCEMENT FOR THE YEAR ENDED 31st DEC. 1977

STATEMENT OF PROFIT					
	1977	1976	1977	1976	
	£000	£000	£000	£000	
Turnover	62,694	57,606			
Trading profit	6,592	8,601			
Interest and investment income	2,886	2,675			
Interest payable	9,478	11,276			
Share of results of associated companies	1,222	1,592			
Profit before taxation	8,256	9,684			
Taxation (including £2,071,000 overseas taxation (1976 £1,966,000))	158	(454)			
Profit after taxation	8,414	9,230			
Minority interests	4,178	4,722			
Profit before extraordinary items	4,236	4,508			
Extraordinary items	808	726			
Profit before extraordinary items	3,428	3,782			
Attributable to shareholders of Matthews Wrightson Holdings Ltd.	(590)	(935)			
	3,038	2,847			
APPROPRIATIONS					
	1977	1976	1977	1976	
	net	gross	net	gross	
	£000	£000	£000	£000	
Dividends—					
Paid November 1977:					
3.2197p	4-8783p	2-8826p	4-4348p	533	475
Proposed final:					
5.9655p	9-0386p	5-9655p	9-0386p	986	984
Retained profit	1,519	1,459			
	1,519	1,388			
	3,038	2,847			
EARNINGS PER SHARE					
	1977	1976			
	20-p	23-p			
Basic—before extraordinary items	19.6p	21.5p			
Fully diluted—before extraordinary items					

TRADING RESULTS
The total pre-tax profit was £8.41 million compared with £9.23 million in 1976. Owing primarily to a smaller deduction for extraordinary items, profit attributable to shareholders increased from £2.85 million to £3.04 million.

INSURANCE
Profit before tax of the combined insurance activities was £7.79 million compared with £9.60 million in 1976. Stewart Wrightson's brokerage income rose by 8% from £33.69 million to £36.40 million but its

brokerage profit fell from £8.32 million to £6.61 million. Insurance broking results were adversely affected by two factors. Firstly, unfavourable exchange rate movements affected both profits from insurance business handled in the U.K. and the translation of profits earned overseas. It is estimated that had exchange rates throughout 1976 and 1977 been constant at the rates ruling at 31 December 1976, then brokerage income would have risen by 18% while profit would have increased by approximately £400,000 as opposed to the fall of £1.71 million actually seen. Secondly, a provision for bad and doubtful debts of £1.68 million (1976 £780,000) reduced the profit of the U.K. based companies. This provision related almost entirely to claims on business placed through agencies in the London market which are proving difficult to collect but which have already been paid by Stewart Wrightson to clients. Arising out of this situation decisions have been taken about the handling and placing of certain types of business.

Profit from the group's insurance companies rose from £631,000 to £843,000. As expected, the contribution from Matthews Wrightson Pultbrook fell from £645,000 to £330,000 as a result of lower profit commissions from the 1974 Underwriting Account.

SHIPPING
Against the background of a world-wide shipping depression Galbraith Wrightson produced a profit from shipbroking of £1.47 million compared with £1.78 million in 1976. A record number of deals was concluded.

During the year the group's 49% interest in Surrey Shipping Co. Ltd. was sold and "Extraordinary items" included an addition to profit of £197,000 arising on the sale. It represents the surplus of the sale proceeds over the written down value of the group's interest.

The group's involvement in ship operating is now limited to the three oil tankers, two of 120,000 dwt and one of 151,000 dwt, which have been chartered to Galbraith Wrightson for the equivalent of £4.4 million per year under the guarantee of the holding company. These vessels have been sub-chartered to a consortium of six leading shipowners in Bergen, Norway who have jointly and severally indemnified Galbraith Wrightson in respect of its liabilities under the charter. The charter hire receivable is affected by a proportion of the trading results of the tankers—5% in the case of the two smaller vessels and 10% in the case of the larger one.

The sub-charter payments due to date have been received in full from the consortium although two members are currently not contributing any payments. The consortium has approached Galbraith Wrightson regarding a possible re-negotiation involving a reduction or deferment of the charter hire receivable by Galbraith Wrightson. Until these negotiations have been concluded it is not practicable to assess the extent of any future shortfall in the charter hire. Full provision amounting to £376,000 has been made for all losses accruing under the existing arrangements during the year ended 31 December 1977.

AIR BROKING
Instone Air Transport's profit rose from £118,000 to £181,000.

RURAL LAND USE
Profits from forestry management increased over 1976, but tenant farming results were materially affected by a higher depreciation charge owing to the revaluation of plant following the disposal of a minority interest in Fountains Farming and by adverse trading conditions. The overall rural land use losses of £808,000 (1976 £1.28 million loss) mainly arose from the continuing reorganisation of the Land Group and included losses by companies closed down or no longer in the group, redundancy costs and land financing charges, totalling in all £576,000.

DIVIDEND
A final dividend of 5.9655p net is proposed, making a total of 9.1852p net (13.8158p gross) for the year.

PROSPECTS
In 1977 we faced problems which adversely affected the results of the Insurance broking companies. Nevertheless good progress has been made by many of the operating companies and the future development of the insurance group will benefit overall by decisions which have been taken.

Management changes and reorganisation will take effect progressively within the group and whilst I do not underestimate the effect of the difficulties of the shipping industry on our shipping related activities, I have every confidence in the future of the group.

Gordon Henry
Chairman
Matthews Wrightson Holdings Limited
130 Fenchurch Street
London EC3M 5DJ

Copies of the Annual Report will be posted to shareholders on the 28th April 1978

Tailor chain to cut
its shops by half

FINANCIAL TIMES REPORTER

JACKSON TAILORS is to close half its shops throughout Britain. The 30 stores involved, mainly in the North-East, North-West, and Scotland, will shut by August, the chain said yesterday.

Up to 400 workers will lose their jobs.

Last month, Jackson announced the closure of a factory and a warehouse in the North-East involving 700 redundancies.

The company, a subsidiary of The Burton group, has been suffering from a decline in the bespoke trade and competition from cheap foreign imports.

Peter Blond, a women's and

children's wear manufacturer based at Sharncliffe, has emerged as a possible buyer for one of the factories in the Chester Barrie group, the menswear producer which was put in the hands of receivers two months ago.

Blond, which has a turnover of about £5m. and 850 workers in four factories in the North of England, confirmed yesterday that it had held preliminary talks with the receivers, Coopers and Lybrand, over Chester Barrie's takeover.

At Wrexham, about 250 people are employed.

Textile research bodies
call off merger talks

BY OUR NORTHERN CORRESPONDENT

MERGER PROPOSALS between the Shirley Institute and the Wool Industry Research Association, two of Britain's textile research organisations, were called off after nine months of talks.

The two bodies were founded originally to serve the cotton and wool textile industries but have been affected by the decline in the size of the textile industry over recent years.

A link was seen as a means of creating a stronger joint organisation to compete for research and consultancy work in textiles and other industries on an international basis.

The proposal has foundered at this stage because of doubts on the part of the Manchester-based Shirley Institute which over the past few years has moved further away from textiles than WIRA at Leeds.

Lancashire cotton companies

ceased paying a statutory levy to Shirley several years ago and the organisation has as a result lost two of its main sources of income.

WIRA, which voted in favour of the merger, has also sought increasingly to build up its income from selling services, but it still derives around 25 per cent of income from a statutory levy on wool textile producers.

Dr Philip Smith, Shirley Institute chairman said yesterday that it had been felt that the philosophy of running the Shirley was now different to that of WIRA.

There had also been considerable opposition from staff who fear that a merger would tend in the long term to lead to concentration on one site.

"We believe the best approach is continued co-operation with WIRA through the Textile Research Council," he said.

New plain cigarette

By Stuart Alexander

ROTHMANS is to launch a small, plain cigarette in the low-to-middle tar sector in competition with Woodbines, Weights, and Park Drive.

Named Red Label and marketed under the John Sinclair house name, it will deliver 15 milligrammes of tar, compared with the present level of 21 for No. 6 Plain, 23 for Park Drive,

24 for Weights, and 26 for Woodbine. It will sell for 54p. If family extensions such as No. 6 and Embassy are discontinued, this will be the first launch of a plain cigarette since 1930, when what is now another Rothmans brand, Piccadilly No. 1, was put on the market.

The new brand will be available from May 1.

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Trade balance worsens

THE U.K. trade balance worsened considerably during the first three months of this year. The visible account swung from a surplus of £45m. in the final quarter of last year to a deficit of £518m. The value of exports rose by 3 per cent, while imports jumped by 10 per cent. There was also a deterioration in the trade balance in most sectors, in particular industrial materials and machinery. This would have been even greater than recorded but for a 2½ per cent rise in the terms of trade—the ratio of export to import prices.

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THE WEEK IN THE MARKETS

Budget proposals knock markets

The immediate reaction of the stock market to Mr. Healey's 13th Budget last Tuesday was to push equities higher—no real surprise since this normally happens on Budget day. The next day, however, the market fell out of bed. Prices of long-dated gilts dropped by £12 and equities slipped by over ten points. The selling continued on Thursday with long gilts being another £3 lower at one point before closing £2 down. Equities moved down in sympathy. By the end of the week equities had lost 19.7 points and the FT Government Securities Index was 2.46 points lower.

The Budget was a difficult one to interpret, since the Government's forecasts of the Public Sector Borrowing Requirement (PSBR) often turn out to be wide of the mark. Last year Mr. Healey forecast that the 1978-79 PSBR would be £8.5bn. In the end it looks like having been £5.7bn, even though the authorities had injected another £1bn, or so into the economy last autumn. Consequently, the market was not sure what to make of a forecast £8.5bn PSBR for 1978-79. It looked higher than expected and the monetary growth targets of 8-12 per cent. were not quite as tight as some observers had been warning.

The question which now worries the gilt-edged market is whether the authorities can continue to keep the monetary growth rate within bounds while expanding the economy by 3 per cent. There is a danger that something will give if this sort of growth rate is to be conjured out of the bag. In what will probably be an election year

the markets fear that it is the sensible monetary policies that will be ditched. Even if they are wrong, the one point rise in MLR which accompanied the Budget was a bitter reminder that the authorities are going to find it difficult to finance their borrowing requirement this year. Last year they were able to sell £5bn of gilts against a background of a drop in MLR from 10.5 per cent to 5 per cent.

This year the interest rate scenario is nowhere near as

LONDON ONLOOKER

favourable and with sterling beginning to look sick on the foreign exchanges, the securities markets are bracing themselves for another crisis rise in interest rates. It might not happen, but yesterday's trade figures were not much comfort for the market's frayed nerves.

S. A. blues

British companies which have ploughed billions of pounds into South Africa's once fertile economy are now having second thoughts. Faced with increasingly strict regulations on withdrawing money from the country—made even tougher by last month's South African budget—British firms are having to seek other means of reducing their risk.

This week two of Britain's largest industrial companies, GEC and GKN, both announced rationalisation deals while

profit figures from Glynwed revealed that profits from its South African subsidiary Defy Industries had fallen by 67 per cent.

GEC is selling 50 per cent of its major South African operations to Barlow Rand for £32m, while GKN has unloaded its 50 per cent stake in Guestro to Dorman Long Vanderbilj in a shares and cash deal worth \$3.9m.

The groups have joined a growing number of British companies which have recently attempted to pull out, reduce or rationalise their South African interests, including Sedgwick Forbes (insurance), Drake and Scull (construction) and Glynwed (engineering) which is merging Defy with the South African subsidiary of America's General Electric.

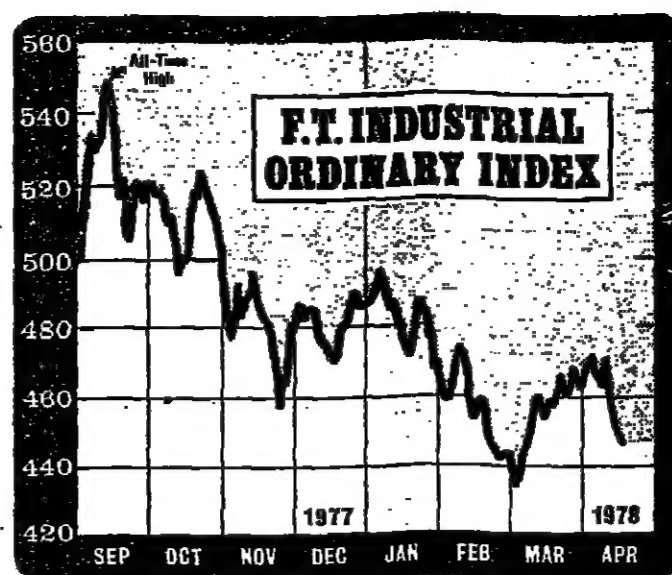
However, trying to pull out of South Africa can be a difficult business as Reed International found out earlier this year.

Yankee doodle Lloyd's

Should foreign ownership of an accredited Lloyd's insurance broker be accepted in principle by Lloyd's of London? That weighty item will be high on the agenda at next Wednesday morning's meeting of the 16 strong Committee of Lloyd's.

The issue was raised by the Budget day announcement that talks were taking place between Frank E. Hall, one of the biggest U.S. insurance brokers, and U.K. based Leslie and Godwin. Hall intends to make a cash offer "at a significant premium" to the Leslie suspension price of 99p.

But much depends on the



Lloyd's line if the bid is to have a chance. There are minor precedents already set for foreign ownership of Lloyd's brokers. Generale Occidentale controls through Anglo Continental a two-thirds stake in Wigham Poland. Here there has been added spice because Wigham is in talks with the largest U.S. broker Marsh and McLennan.

Italian interests have a majority holding in H. Clarkson, and French interests have a 63 per cent holding in the small Lloyd's broking company Carter Wilkes Fane.

But American connections have so far been limited, with the largest stake in a Lloyd's broker held by Corroon and Black, which has a 35 per cent holding in Glanville Emberton.

Lloyd's public view on the matter is likely to be that "we want to judge each case on its

merits," but privately, "foreign domination of Lloyd's, per se, is the thought."

Cement hopes

Both Associated Portland Cement and Ready Mixed Concrete were making optimistic remarks about the coming year, when they reported their respective 1977 results last Thursday. An increase in cement consumption in the U.K. of around 3 to 4 per cent is widely expected, which will be the first upturn since 1973. APCM said it was looking for a rise in home deliveries from 8.6m. tonnes to 9.2m. this year. But the overriding question for the market is cement prices. In February APCM was awarded a 4.77 per cent price increase out of an application for 10 per cent. The Price Commission is due to report on its investigations sometime in May. Most analysts are working on the assumption that it will get its extra 5 per cent, and forecasting profits for this year of around £52m. to £53m. (£47.9m.) pre-tax.

However at an analysts' meeting on Thursday APCM was hinting that it might go for an interim price rise under the margin safeguard provisions, which become triggered if there is a fall of a fifth since the last price rise (which gives a good guide to current profit margins). But APCM needs to make its move before the May report.

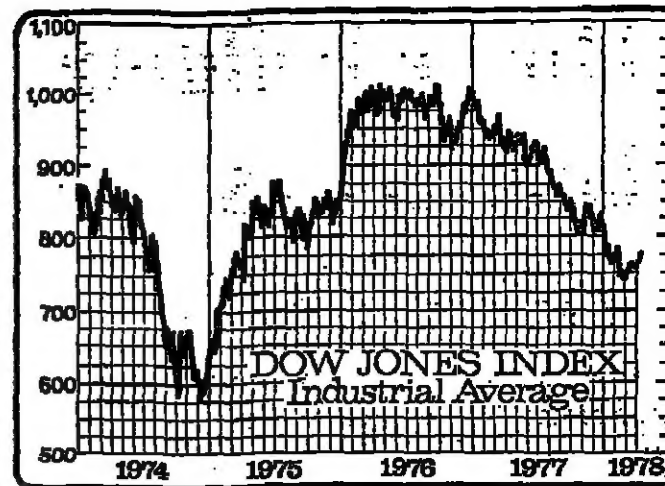
RMC is also optimistic about volume, but has fewer worries about prices. Though it too has its share price overshadowed by outside investigations. The Office of Fair Trading is yet to report on the "price rings" which operated until last summer. Margins appear to have held up since the rings were abandoned but there is the fear that RMC might be left open for claims from customers that they were overcharged on past contracts when the rings were still operative.

Active interest

EVEN AS I write, investors are waking from a month of hibernation and are buying stocks. Institutions which have been awash with cash for so long appear to be throwing off some of their inhibitions and committing money to the stock market. In other words, a genuine market rally appears to be under way and if this column carries an air of breathless excitement, the reader must understand that the Wall Street observer has not seen anything like this for a very long time. Not, in fact, since February 20, 1976, when a record 44.5m. shares traded. Trading in the first hour yesterday morning was 14.9m. shares—a new record—and the volume finished at an all-time peak of 52.28m. The Dow Jones Industrial Average achieved its highest gain in any first hour for many a long day—12.82 points and closed 19.92 up at 795.13.

This steep climb follows an extremely encouraging trading day for investors on Thursday when volume was the heaviest for five months and the Industrials climbed to their highest level in over two months. What may have happened is that a psychological trigger may at last have been pulled and for the time being greed could have overtaken fear as the dominant emotion among investors. In these circumstances many analysts believe that there will be sufficient momentum to carry the market up to 820 or beyond.

No-one, however, should be deceived into believing that a new dawn has yet broken over the Stock Market. An inter-



mediate rally of this kind figures in many analysts' prognostications for the year and many also believe that the market must yet fall back to achieve a new low before embarking on a genuine bull cycle.

Nevertheless, investors have been considerably cheered this

NEW YORK JOHN WYLES

week by a number of important political and economic developments. Though President Carter's new anti-inflation stance, unveiled in a speech on Tuesday appears thin in that it lacks any real new initiatives, it was followed by a statement from Mr. G. William Miller, the new Chairman of the Federal Reserve Board, which made some impression in the New York markets.

Mr. Miller, it will be remembered was President Carter's appointee who replaced Dr. Arthur Burns at the end of

Monday	773.65	+4.07
Tuesday	770.18	-3.47
Wednesday	764.29	-3.89
Thursday	774.06	+8.92
Friday	795.13	+19.92

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1978	1978
	Ytd	Week	High	Low
Ind. Ord. Index	447.4	-19.7	497.3	433.4
Govt. Sec. Index	71.50	-2.46	73.58	71.50
Automotive Products	120	+8	120	88
Railway Holdings	59 1/2	-9 1/2	69 1/2	47 1/2
DRG	112	-9	129	112
Finlan (I.)	25	-6	35	21
Fugarty (E.)	150	+21	155	71
Gibbons (Stanley)	148	-12	190	146
Green's Economist	67	-7	84	66
Guardian Royal Exchange	212	-12	262	212
ICI	330	-28	365	328
Land Securities	190	-19	228	190
Letrasat Int.	162	+17	162	98
Lloyds & Scottish	89	-5	111	89
MarWest Bank	267	-8	297	254
News International	238	-22	278	236
Sherman (S.)	131	+4	14	9
Siebens (U.K.)	276	+18	298	236
Taylor Woodrow	336	-30	412	336
Yorkshire Fine Woollen	43	+6	43	34

U.K. INDICES

	April 14	April 7	March 31
Average to	72.66	73.99	74.28
Govt. Sec.	76.24	77.30	77.80
Fixed Interest	458.8	467.8	464.9
Gold Mines	150.5	154.4	156.4
Dealing mtd.	4,967	5,210	4,959

FT ACTUARIES

	199.99	203.11	202.14
Capital Gds.	184.84	187.34	185.26
Consumer (Durable)	194.11	194.72	195.71
Cons. (Non-Durable)	198.55	201.69	200.64
Ind. Group	218.77	221.96	221.70
500-Share	160.77	163.98	165.75
Financial Gp.	202.61	205.69	205.76
All-Share	59.99	60.59	60.99
Red. Debs.			

Swings and roundabouts

"THE trouble with mining shares," said the bookmaker as he cautiously hedged bets on the big race, "is that they are too risky." He dwelt at some length on the undesirability of commercial fortunes being linked to those of a single product and pointed to notorious price swings that often occur in metals.

"You can't let your money rest," he added, reaching for the telephone as the big race odds changed, "you are always having to buy or sell the shares if you are to make a profit and then you get clobbered for capital gains tax." He admitted that the previous deterrent of a 25 per cent "tax" on the dollar premium no longer applies.

He also agreed that Mr. Healey's Budget this week had helped the small investor by exempting from tax his gains of up to £1,000 in any one year. And, indeed, he noted that the bigger fish will welcome the reduction in the tax rate from 30 per cent to 15 per cent on gains of £1,000 to £5,000.

But he pointed out that bookmakers prefer to let the punters take the risks and for his money investment meant putting your money into a well diversified enterprise: "What they lose on the swings they gain on the roundabouts, and it usually comes right in the end."

Well, you can't get much more diversified than the U.K.-based Rio Tinto-Zinc Corporation whose interests span a host of metals and industrial activities in Australia, the U.K., Canada, Papua New Guinea, the U.S., Southern Africa and mainland Europe. Major earnings come from copper, iron ore, bauxite, chemicals, lead and zinc, and aluminium.

Last year's weakness in copper (which provided some 15 per cent of pre-tax profits) and the down-turn in zinc was offset by a better performance in RTZ's other areas. As a result the group has reported this week a slightly higher net profit of £82.3m., equal to earnings of 32.68p per share, compared with £81.3m. in 1976, and has lifted the year's dividend total to 9.5p from 8p; because of its high level of overseas earnings the group is not subject to U.K. dividend restraint.

However, despite its diversification, RTZ has not been able to hedge against last year's recovery in sterling. This reduced the value in pounds of the profits by some 7 per cent. Furthermore, the latest net profit is reduced by a book-keeping charge of as much as £40.4m. to allow for the reduction in the sterling value of prior years' earnings retained in the overseas subsidiaries. A year ago, when sterling was lower, there was a net credit of £10.4m. on this score.

What of current year's prospects? Copper prices are even lower, zinc remains thoroughly depressed; the group's big Hamersley iron ore operation in Western Australia has already warned of a sharp fall in its profits in line with the steel industry depression which is hitting the Japanese mills; lead, bauxite and aluminium are holding up well.

On the present showing, losses on the swings are likely

to outweigh profits on the roundabouts. The RTZ 1978 gold reserves at market-related prices. The mines will no longer sell their gold to the Reserve Bank at the old official price of £42 and then have to wait for about a month until they receive the difference between this price and that obtained from open market sales.

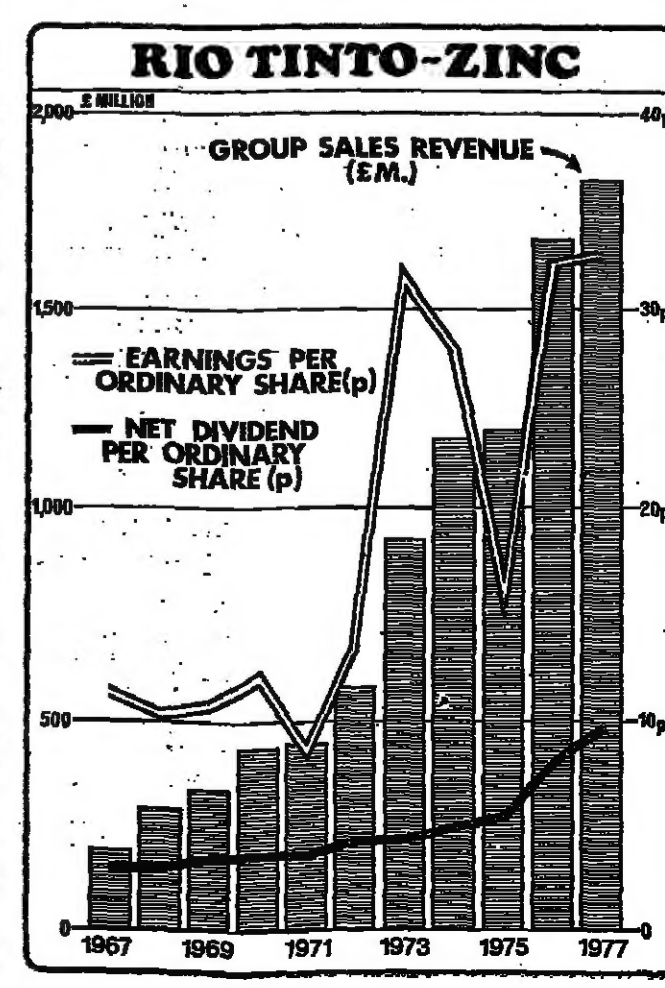
They will receive the full price more or less immediately. Consequently their current quarter's earnings will receive the "once-for-all" bonus of payments due for part of the previous quarter's output together with those for the full amount produced in the current quarter.

Furthermore, part of the wages due to the miners from Mozambique will no longer be paid to that country's Government in gold valued at \$42 per ounce. Mozambique sold the bullion on the free market and thus made a profit after deducting the money owing to the miners.

From now on the mines will not lose this profit which has been estimated at about £20m. a year. The workers from Mozambique will, of course, continue to be paid the same wages as before so the only loser is the Mozambique Government.

Finally, De Beers has announced details of its new £128.7m. Jwaneng diamond mine in Botswana. That country's government is to receive a free 30 per cent stake in the venture and has an option lasting until the end of this year to buy a further 20 per cent.

The big mine is expected to start production in 1982 at an initial rate of 3.5m. carats, rising to 6m. carats in the mid-1980s. It will thus exceed the combined output of the group's Orapa and Letlhakane mines in central Botswana. Its gem content, as opposed to the lower value industrial diamond, is higher than that of Orapa, being some 50 per cent in the region of 44 per cent. It looks good.



PICCADILLY Small Companies FUND

The top performing unit trust for the last twelve months

The Piccadilly Small Companies Fund is placed top of all unit trusts for the last year, as published by Financial Savings*. The Fund aims for capital growth with an above average income by investing mainly in small, efficient British companies which the Managers believe will expand in size of business and profits. The Managers will nevertheless retain investment flexibility and may invest in a limited number of larger companies.

Remember, the price of units, and the income from them, may go down as well as up.

Your investment should be regarded as long term.

*Figures for the period ended March 1978.

Share Exchange Price. We consider that it is now the right time for holders of U.K. shares to take advantage of the Piccadilly Share Exchange facilities to purchase units in this fund without incurring the usual selling costs. If you wish to invest by way of share exchange, please attach a list of the investments which you wish to exchange with the company, or ask for our brochure.

Applications and cheques will be acknowledged with the issue of a contract note and you will receive your units for the number of units allowed within four weeks of receipt of your application. Units will be issued at the offer price ruling at the close of business on the day preceding receipt of your application. For information purposes only, the offer price of units at the close of business on 10th April 1978 was 44p 10d. The estimated gross annual yield at that price was 5.31%.

Income distributions. The income, net of tax at the basic rate, is payable annually on 15th April. The first distribution will be made on 15th April 1979 in respect of this application.

Withdrawals. The fund is valued daily and the current price and yield published daily in the national press.

The charges. A once only charge of 5% is included in the offer price to cover initial expenses including commission of 1% to recognised professional advisers. An annual charge of 1% (i.e. VAT) of the value of the Fund is deducted to cover management and administration expenses.

Capital Gains Tax. If you are a basic rate taxpayer you will generally incur no tax liability when you sell your units. If you are paying a higher rate of tax at the time of selling you will be liable to Capital Gains Tax. For the top rate taxpayer there is a maximum liability of only 1% as against the normal rate of 30%.

How to sell units. You may realise part or all of your investment at any time by signing the back of the Certificate indicating the number of units you wish to sell and returning it to the Managers. You will normally receive your cheque within 14 days.

Managers. Piccadilly Unit Trust Management Limited (Members of the Unit Trust Association). Registered in England no. 22684.

Trustees. Bank of Scotland, The Mercantile, Edinburgh & L.N.T.Z.

To: Piccadilly Unit Trust Management Ltd, London EC4M 6UA Tel. 0-601 0000

Write to: Invest 5 (minimum 400 units) in the Piccadilly Small Companies Fund and receive a remittance for the full amount payable to Piccadilly Unit Trust Management Ltd.

If I am/we are not resident outside the Scheduled Territories and I/we declare that I am/we are not acquiring the above mentioned units as the nominee(s) of any person(s) resident outside the territories, it should be left unsigned, and the application should be lodged through an authorised depositary (bank, stockbroker or solicitor) in the U.K.

Signature _____ Date _____

Surname (Mr. Mrs. Miss) _____

Forename(s) _____

Address _____ FT1504

All applicants must sign. This offer is not applicable to residents of the Republic of Ireland.

PICCADILLY

Bright futures in the U.S.

THE HOTTEST game around in America at the moment is gold futures trading. The growth in investor interest over the last year has been phenomenal and shows no sign of slackening.

A year ago in March, 88,707 gold futures contracts were traded on the Commodities Exchange of New York while on the International Monetary Market (part of the Chicago Mercantile Exchange) the number amounted to 83,142. Last month Comex traded 267,707 gold contracts and Chicago traded another 227,074. On April 4 of this month trading soared to a new daily record in both New York (18,189 contracts) and Chicago (16,061 contracts).

If all the buyers of these contracts on that day took delivery (in fact less than 5 per cent normally do) over 100 tons of gold would pass hands. As the free world production of gold is less than 1,000 tons annually this sort of daily trading volume can have a major impact on the market price of gold and frequently does. Whereas, the price used to be set here in Europe, New York is now giving a lead and if prices in America move in one direction London and Zurich quickly follow.

The success of the U.S. gold futures market is slightly baffling. The market started on December 31, 1974—the day that U.S. citizens were legally allowed to buy gold. For the first couple of years, trading on Comex averaged under 2,000 contracts daily but the figure is now running close to 20,000, and the market really seems to have taken off since last autumn.

There are plenty of theories as to why. Traditionally, gold is in demand during periods of stress. In addition, one has to currency uncertainty and last autumn coincided with a period New York is not a particularly pronounced weakness in the safe place at the best of times. U.S. dollar. The U.S. stock

market was also falling which probably made gold futures look more attractive since they offered plenty of scope for capital gain. However, a few big and mysterious investors started buying December gold futures contracts last September,

and trading volume mushroomed from then on. As word got round, smaller investors jumped on the bandwagon and have been in the market ever since.

For any investor wanting to speculate on movements in the gold price the futures contract—each one is equivalent to 100 oz.—is a very attractive medium. A small investor could buy a 100 oz. bar of gold but this would cost around \$18,000 (£9,600) on top of which must be added sales taxes and assay fees. In addition, one has to ensure that no one steals it—Autumn coincided with a period New York is not a particularly pronounced weakness in the safe place at the best of times. U.S. dollar. The U.S. stock

market was also falling which probably made gold futures look more attractive since they offered plenty of scope for capital gain. However, a few big and mysterious investors started buying December gold futures contracts last September,

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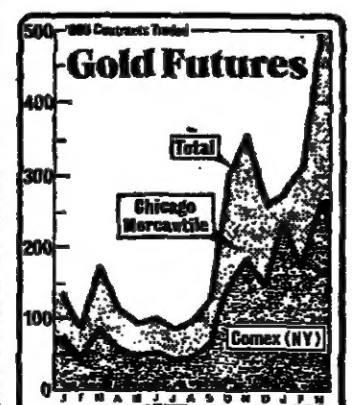
gold shares, and in the past this has been the traditional way of punting on the gold market for U.S. investors. If the dollar looked shaky and Wall Street looked sick an investor would ring up his broker and buy 1,000 West Drifels.

However, even this sort of investment has its drawbacks. Most gold mines are located in South Africa and an investor has to take a view not only on the political uncertainties over there, but on such technical things as the life of the mine, ore grades and management capabilities. All of these factors can affect the value of the gold share in question.

The beauty about gold futures is that there is no need to bother about making subjective judgments about such subsidiary issues. The only thing to take a view on, is the future gold price, and even then it is not necessary to put up the total value of the contract. The normal deposit is less than 10 per cent of the contract price. If you bought a 100-oz contract and the gold price went up 10 per cent you could double your money by closing out the contract. On Comex the minimum deposit is \$750 which means that even the smallest investor can join in the fun.

Naturally there are dangers. The gold price is very volatile and because of the heavy gearing in the futures price it is just as easy to lose money as to make it. However, judging the growing number of U.S. institutional investors that are operating in this market the idea has caught on and it might not be too long before it crosses the Atlantic. If London and Zurich want to maintain their traditional place in the international gold market they could do worse than swallow their pride and take a lead from New York's Comex and Chicago's Mercantile Exchange.

GOLD WILLIAM HALL



COMEX - LEADING FUTURES CONTRACTS MARCH TOTALS

	390,998	GOLD FUTURES-TOTAL
SILVER		
GOLD	267,707	1975 393,517
		1976 479,363
COPPER	119,423	1977 981,551

FINANCE AND THE FAMILY

Joint names disadvantage

BY OUR LEGAL STAFF

I gather from the first item under Probate not necessary (March 11) that if my wife and I put all of what we owned into our joint names no probate would be required and therefore the size of the estate on the death of one of us would not be known, and published in the local paper, an advantage where there have been break-ins, as here. Unfortunately the deeds of our house, which belongs to my wife, are lost. What can we do about this? What are the disadvantages of putting everything into joint names?

You can certainly adopt the expedient of joint ownership. The disadvantage is that the parties have equal rights in the joint property and one of them cannot resume full ownership without the consent of the other (although the property rights may be divided by "severance"). You should be able to have the house conveyed or transferred into joint names despite the loss of the deeds. That loss is a matter which you should in any event take up now rather than leaving it. You should consult the solicitor who acted for your wife on the purchase.

A feme sole for tax

A husband makes his wife, Mrs. X, who otherwise has a negligible income, an allowance from abroad where he lives with another woman. He does not send in tax returns in his world income, but pays voluntary NHS contributions as self-employed. Presumably he pays tax in the country where he lives.

There is no legal separation, but a divorce could be contemplated. What would be the position of the wife then and what is the position now?

As Mrs. X is "in fact separated in such circumstances that the separation is likely to be permanent," she will be taxable as a feme sole despite the absence of a formal deed of separation. The words in quotation marks are taken from section 42(1)(b) of the Income and Corporation Taxes Act 1970. Divorce would make little practical difference to her tax position, since she is treated as a feme sole from the actual date of separation (the day Mr. X

left the matrimonial home, probably).

Mr. X's tax position overseas does not affect Mrs. X's tax position in the U.K. (If Mr. X should deduct overseas tax from maintenance payments at some time in the future, Mrs. X might like to come back to us for guidance on the double taxation agreement with the country in question).

Mrs. X should check her social security position with her local DHSS office. She should also get in touch with her local tax office (unless she is already in touch with another one, of course), giving her husband's last tax reference if she happens to know it, and saying when the separation took place.

From what you say, the allowance from her husband will not be taxable in Mrs. X's hands (under either case III or case IV of schedule D), so she probably has no tax liability at all, at present. If payments are eventually made under a deed or enforceable agreement, or under an order of a court (in the U.K. or overseas), they will be taxable in Mrs. X's hands: some of the complexities of this area of the tax laws were indicated in Mr. David Wainman's article March 11: "A question of geography."

A lost deeds case

In 1938 my parents bought a freehold property for cash. Now the title deeds are missing. What can we do about it, in case we want to sell?

If your parents know the name of the solicitors who acted for them on the house purchase it should be possible to obtain copies of the title deeds. Application can then be made to the Land Registry to have the title registered as a "lost deeds case."

Discharge of a bankrupt

A friend was adjudged bankrupt in 1976 and the Official Receiver was appointed trustee. No dividends have been paid to the creditors, of whom I am one. I have now just received a notice to creditors of intention of the trustee to apply for release. How does this affect the bankrupt, the creditors and the trustee of the bankrupt?

reversionary interest under a will which remains unrealised? Can the bankrupt apply for his discharge?

The release of the Trustee in Bankruptcy will not, of itself, enable the bankrupt to apply for his discharge, but it is likely to facilitate such an application. As a creditor you are entitled to oppose the release of the trustee; and, if there is an unrealised reversion, it would be wise to do so. Technically the release of the trustee leaves the bankruptcy on foot but with no trustee as such, the bankrupt's property remaining vested in the Official Receiver, who retains the trustee's accounts.

Efficacious trusts

My daughter should receive about £20,000 as her share of my estate, and I do not wish her to be able to dispose of the capital, not so much because I wish to preserve it for her children, but to ensure that it shall not be swallowed up in payments of debts her husband might incur. Should this be done by means of a discretionary trust?

You may find a protective trust, or a combination of protective and discretionary trusts most efficacious. If you provide protective trusts for your daughter for life and for her children for their lives with an ultimate gift of capital, and also give very wide powers to appoint capital to each beneficiary it is possible to achieve a position where capital will probably be

exhausted before the ultimate gift takes effect, but where the trustees retain the ability to channel funds where they are most needed.

A wayleave payment

My mother's garden is crossed by three overhead telephone wires, going to neighbouring houses. Do you consider she could be entitled to any wayleave payment from the Post Office and if so how can she obtain it? We can get no satisfaction out of the local office.

You may be able to require a wayleave payment: on the other hand the wires may have been in position long enough for a prescriptive easement to have been acquired by the Post Office. The payment, which your mother might expect to receive is not very much in money terms, and may not be worth the cost of resolving a dispute in legal terms. However you may find it convenient to communicate direct with the Legal Department of the Post Office at 23 Howland Street, London, W.1.

A foreclosure and a sale

I have asked my building society to foreclose on my property because I cannot make the monthly payments, but they seem to be proceeding very slowly. Can you suggest a line of action which might produce some positive results?

Age allowance interest

In 1976 my total gross income according to the Tax Inspector was £3,589, plus £259 building society interest, grossed up by £154, making £4,003. It seems to me that this £154 (£139 by my calculation) should not be included for the purpose of calculating age allowance, because total income only includes this for additional rate tax and investment income surcharge. Do you not agree?

Although you are right in saying that the £259 building society interest should only be inflated by £139 (viz 7/13ths of £259), making the notional gross amount £398, we are sorry to

say that the Inspector is right in principle. Subsection 3(c) of section 343 of the Income and Corporation Taxes Act 1970, as amended by the Finance Act, 1971 (with effect from 1973-74), says that building society interest "shall be treated as income... received... after deduction of income tax from a corresponding gross amount."

In computing the total income of an individual, and consequently the notional gross amount has to be taken into account in calculating the age allowance drawback. This point is not always made, quite clear in building societies' advertisements and leaflets, but it is

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

We do not understand your query fully. If the Building Society forecloses you will have no interest in the property from the date of the court order, and could not partake of any proceeds of a subsequent sale. Presumably you want the Building Society to sell the property, so that any surplus money will be paid to you. Your only effective course here is to put the property up for sale yourself—always assuming that it may fetch more than the amount you owe the Building Society.

Cleaning of a stream

A brook runs along the bottom of our garden into which trees have fallen, in one case from a neighbour's side and in the other from a field. This has caused water to flood over our ground. Whose is the responsibility for clearing the fallen trees and what happens if, for example, as a result of the obstruction, damage is caused to our property or banks washed away?

The responsibility for clearing the stream is on the owner of the bed—usually that is the owner of the bank (up to the middle of the stream if the banks are in different ownership). If an obstruction which causes flooding to your land it may be a nuisance for which you could claim damages. You would also be entitled to abate the nuisance by clearing it yourself.

In effect, therefore, your £259 building society interest attracted an extra income tax liability of £85.40 by way of age allowance drawback. This tax can be allocated roughly as follows:

Interest actually received	Effective income tax rate	Income tax liability	Interest after tax
First 238 14/39ths	85.40	153	Balance 21 Nil
Balance 21 Nil	Nil	21	
£259		£85.40	£174

Car rental small print

IF YOU have a driving licence sooner or later you will hire a car, perhaps only for a few days for a specific journey or perhaps for a longer period when your own car is off the road after accident or breakdown.

While there are a few national or even international car hire companies, with offices and garages in major urban areas all over the country, much of the car hire business in Britain is transacted by relatively small operators, as will be shown by a medium of local investigation based on the yellow pages of the telephone directories. More detailed inquiry will show that within an apparent broad similarity of cars, operating rules and so on there is a wide diversity of price, hiring conditions and insurance.

Particularly insurance, because it is up to each car hire operator to make his own bargain for the purchase of insurance cover for himself and for his customers, in the light of all the material factors affecting the underwriting assessment of his particular risk. As with the individual motorist, the car hire operator's only obligation is to ensure that he has injury liability insurance covering the use of his cars on the road.

Some car hire operators display copies of their motor insurance policies in their offices, and draw their customers' attention to these. Others display summaries of cover in a form authorised by their trade association. Some, a decreasing few, do very little to explain to the hirer what insurance cover is provided and what his non-insurance contractual obligations are in the event of trouble.

Arranging the hire of a car normally involves two separate contracts, one with the car hire operator and the other with insurers. As a potential hirer you can be asked to complete and sign one document covering both aspects, or two separate documents.

Either way you will have to give details of your age, occupation, length of driving experience, details of your driving accident record, motor insurance cover, health details and other details, and produce your current valid driving licence.

You may quickly find, because of the rules insurers have established for your chosen car hire operator, that

you are ineligible for one or more reasons—for example that you are too young (many days have hiring restrictions to the over 25s), too short of driving experience, or perhaps in one of insurers' prohibited occupations. If so, the only thing you can do is to see if another operator has easier insurance acceptance terms, because it is these that control the operator's ability to do business with you.

Both the hiring and insurance documents which are issued, normally make it clear that driving is permitted only by the hirer, and by any other person whose full and satisfactory motoring particulars have been provided at the out-

INSURANCE

JOHN PHILIP

set. So once you have hired your car, you cannot even in emergency, allow an unauthorised person to drive—you will almost certainly be in breach with your contract with the car hire operator, and definitely there will be no statutory insurance in operation for that driver's protection (unless he can rely on his personal insurance cover), so that both you and he run the risk of prosecution.

As I have said, the extent of insurance cover each car hire operator has above the statutory minimum is widely variable. The bigger the operator the more likely it is that he does not insure accidental damage, fire or theft risks. This does not mean that he will inevitably make his hirers responsible for the cost of repair or replacement in the event of damage, fire or theft. But it is essential to look at the clauses of the hiring contract to see if such an obligation is imposed in any particular circumstances. If you have your own motor policy and you wish to have peace of mind it is of course possible to ask your insurers to add the damage/repair risk on the hired car to your policy for the term of the hire—but you will have to pay extra premium for this.

As a hirer you have one certainty—that the cover the operator has for himself and for you is substantially less than the normal comprehensive cover that most British motorists buy. It is unlikely

there will be cover for luggage and personal effects, cover for personal accident benefits and cover for medical expenses.

Sometimes it is possible to arrange with a hire car operator to cover your use of his car under your own policy—sometimes but not often. Much will depend on his knowledge of you, your previous course of business dealings, his respect or otherwise for your own motor insurers—so if your hirer's insurers and your own are the same, one difficulty is removed.

A point to remember here is that it may be cheaper for you to add the hired car to your own policy for a few days and enjoy a wider cover of that policy, rather than to pay the operator's normal insurance premium which is included in his hiring charge. So certainly this possibility is worth exploring.

Premium payment

THERE MUST be a law of nature which decrees that all large bills shall arrive in the letter box at the same time, and another which proclaims that these arrivals shall coincide with a downturn in cash flow. At least, that is what appears to happen in my household, with unfailing regularity. Proper planning should avoid this build-up, but my plans never seem to work.

One such bill gets larger every year: that for personal insurance. If we are conscientious, we update the cover every year, and this means higher premiums. Motor insurance premiums are now taken for granted. The insurance companies themselves have unintentionally made matters worse by marketing package insurance plans under which all personal insurance requirements are included in one master plan. This may be convenient and save on costs, but it means a larger bill.

Help is now at hand in dealing with this problem. Sun Alliance is introducing a new facility—Premium Plan—which spreads the cost of personal insurance over the whole year. The group was a pioneer in using credit cards for spreading payments over some months, a move that most companies have followed. But the company's market research has shown that many investors would prefer their premiums spread over the year, and this plan fulfils that requirement.

Institution/ fund	Currency	Listing	Valuation	Minimum purchase on issue	Initial charge %	Annual charge %	Asset growth % over 1 year	5 years
Save & Prosper International								
Dollar Fixed Int.	\$US	Weekly		\$US2,000	5	1	8.4	NA
International Grds.	\$US	Weekly		\$US2,000	7 1/2	1	67	36.1
Far Eastern	\$US	Weekly		\$US2,000	7 1/2	1 1/2	61	13.5
North American	\$US	Weekly		\$US2,000	7 1/2	1	9.6	43.6
Channel Capital	£	Daily		200 shares	5	1	4.1	13.8
Channel Islands	£	Daily		350 shares	5	1	17.6	42.2
Commodity	£	Weekly		£1,000	5	1	25.4	NA
Sterling Fixed Int.	£	Weekly		£1,000	5	1	5.0	NA

* Covers all outgoings from the fund. † Bid to offer basis, with income re-invested.

Going into sterling funds

THE DAYS when a tour of duty abroad meant five years—maybe ten—beneath the tropical sun, are long since over. Nowadays it means, most likely, 18 months: maybe two years. This is all very well in one way, but in another it's not quite so satisfactory. It means that the one-tour man is not going to establish himself as an "emigrant" for exchange control purposes.

So if he wants to transfer assets abroad without going through the dollar premium, it can be done. If the assets concerned are at all sizeable, at any rate. Assuming, however, that he's not paid in sterling, there is nothing in British law to stop him from investing what he earns abroad wherever and however it seems to him good to do so.

It might well seem reasonable to him to put his money into sterling-denominated assets, for all that our economic prospects now look rather less rosy than they did a couple of months ago. After all, he is probably going to come back to the U.K. once he's done with Abu Dhabi or wherever, and it's the performance of his investments in sterling terms which will be important to him.

What it does not make sense for him to do, however, is to put his money into a British trust, sterling denominated, for investment into assets overseas. All British trusts investing abroad have to do so by way of the dollar premium or an alter-



money abroad—for the moment there is a four way choice: the Dollar Fixed Interest fund (income first); the International Growth fund (entirely equities, and designed to produce a rise in asset value); the Far Eastern fund (managed out of Hong Kong, and again, designed to produce capital growth); and the North American fund (slowly and cautiously recovering from some years of dismal performance).

Finally there is the group's commodity fund, sterling denominated but heavily invested directly into metals and soft commodities—mainly metals, at the moment. This one, in which there is heavy institutional investment, made a very good start and then went through a rough patch, which is all that shows up on the table: performance is, the advisers say, now improving.

Save and Prosper's dollar-denominated funds are accessible by way of a single premium life assurance plan (minimum investment \$US5,000; all income reinvested); and all the funds, with the exception of the Commodity fund, are accessible by way of a monthly investment plan, for those with income, rather than capital, which to dispose. For the dollar-denominated funds the minimum investment accepted is \$US50 a month, while for the sterling funds it is £10 a month. Again, income is reinvested.

For those who, having earned abroad would rather keep their

Initial costs cut

TWO OF the stockbroking firms with units trusts under their management have just taken off into the U.S. market, with vehicles designed specifically for the purpose: Bridge American and General (from Vickers, de Costa) and Framlington American and General (from Laurence Prust). Both have run up against a certain amount of resistance from the Department of Trade, not to the idea that they should launch new funds but to the idea that they should be entitled to the standard management charge, and in particular to the standard front-end load. Both have had to content themselves with an initial 2 per cent, as against the standard 3 1/2 per cent.

It appears that the question exercising minds at the Department of Trade is whether the standard 1 1/2 per cent commission will be paid to intermediaries. Or will all the money coming into the new funds be directed there by the stockbrokers concerned, from their existing clients' funds? The stockbrokers themselves say possibly so, but probably not. The new Bridge fund will be "very largely in-house," says Vickers, de Costa—but as much as 20 per cent of the initial inflow might come from those with no connection with the firm. Laurence Prust, whose Framlington Income and Fram-

lington Capital have been back to the Department of Trade to ask that they should be authorised to charge the standard 3 1/2 per cent. Moral: the outside proportion might rise as high as 50 per cent. If it shows any signs of doing so, however, the brokers will be thinking about it.

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Outlook for interest rates

BY ADRIENNE GLEESON

ONE GLANCE at the accompanying table, with a mind to the Chancellor's remarks on Tuesday last, should be enough to convince you that there is one outstanding bargain available to those who want a high return from a safe investment: the current issue of National Savings Certificates. But there's no need to rush out now to buy some. The issue will not be withdrawn until the middle of June, and it looks distinctly possible that it will by no means seem so attractive a bargain by then.

This is because interest rates in general look set to rise. The Chancellor, in this Budget speech, made no bones of the fact that the Government will need to borrow plenty of money this year, though he also implied that the borrowings might not turn out as large as presently seems likely. To finance those borrowings the Government will have to sell gilt-edged stock—a prospect which has unnerved the market over the past few days, and it will also have to attract cash into the National Savings instruments.

The introduction of a new issue of National Savings Certificates in fact looks, for the moment, rather more like a ploy to get people to buy the

existing issue, than an attempt to attract them to the new. And this is why it makes sense to wait a while before rushing in. For if the worst does happen, and interest rates in general rise, then there may be better bargains elsewhere by the time that this issue is withdrawn.

Just how good those bargains are will, of course, depend on the individual's situation. A high-taxpayer might be hard put to match the benefits which this tax-free issue will give him. Conversely, anyone who wants ready access to his money would obviously do much better to put it elsewhere, even at a lower rate: National Savings Certificates only yield the best of themselves to those prepared to hold them for the full four-year term.

A basic-rate taxpayer grossed up return which they offer with those available on four-year deposits with, say, ICFC—whose rates we show in the table—or the local authorities. He needs to check up on those at the beginning of June, before making any investment decision on a purchase. In the meantime the best advice—all things being equal—is to stay flexible: and that means staying short.

Fixed interest returns				
Institution	Min./max. deposit	Term	Tax position on interest	Return % grossed up for basic rate taxpayer
National Savings				
National Savings Certificates				
Current 14th issue	£5-£1,000	4 years	Tax free	11.5
Prospective 17th issue	£5-£1,000	4 years	Tax free	10.7
British Savings Bonds	£5-£10,000	5 years*	Gross	8.5
National Savings Bank				
Ordinary account	25p-£10,000	£30 on demand	First £70 tax free	5.8
Investment account	£1-£50,000	One month	Gross	8.5
Building societies†				
Ordinary shares	25p-25p	On demand	Tax paid	8.3
Deposit shares		7 days	Tax paid	7.95
Clearing banks				
Deposit accounts	£1	7 days	Gross	3.8
Bank branch deposits†	£10,000-£25,000	7 days	Gross	5.5
		3 months	Gross	6.0
		1 year	Gross	6.5
ICFC				
Gilt-edged stock	£1,000-£25,000	3-10 years	Gross	9.5-11.75
Exchange 1978/1980				
Treasury 12½% 1980			Gross	12.2
Treasury 12½% 1982			Gross	12.3
Treasury 15½% 1988			Gross	12.7

Capital changes

FOR THOSE who believe that investment is all about capital gains, the Chancellor's moves have been very, very welcome indeed. It is true that he has not, as earnestly requested from all quarters, abolished the tax on capital gains. But he has amended it to such good purpose that very few individual investors will end up paying much of it.

Instead of the previous exemption on deals priced at less than £1,000, the Chancellor has now exempted gains realised within a tax year of less than £1,000. Moreover, gains of between £1,000 and £5,000 attract tax at only 15 per cent. (as against the 30 per cent. at which it is generally levied). So the individual investor would need to be extremely wealthy, extremely successful (to make very large gains), or extremely inept (to realise them within the same tax year), to incur much more than a marginal liability.

One word of warning, though. Those who are realising gains in excess of £5,000 will come up against the provisions for marginal relief: that is, the rate at which they will then be charged is intended to build up the average rate until it reaches 30 per cent. at £5,000, the level at which the full rate applies. That means that, on realised gains of between £5,000 and £9,500 you will be liable to capital gains tax at 50 per cent. Moral: make sure that you don't realise more than £5,000 in any one tax year.

Investment income

IN the budget, from £2,000 to £2,500, for persons of 65 or over; and the band from £2,500 to £3,000 attracts the surcharge at only 10 per cent. It isn't until you have over £3,000 of investment income (over £2,250, if you're under 65) that you'll be paying the full surcharge of 15 per cent.

So, let's assume that we have a single person of 65-plus, living off the state pension and investment income, and see what happens. For the moment the state pension brings in £910 a year (which rises to £1,014 in November), and that will all be free of tax. An additional £300, though it will count towards the threshold at which the investment income surcharge becomes payable. On the following £750 of income you will be paying tax at the new, reduced rate of 25 per cent. On the next slice of income, £1,360, tax is at the basic rate of income-tax, 34 per cent.; but after that you start to incur the investment income surcharge: the following £500, in consequence, is taxed at 44 per cent. A mere £90 better off gross (less than £45 net, because the investment income surcharge has by now reached 15 per cent., and your marginal tax rate, in consequence, 49 per cent.), and you reach the stage at which your allowances are curtailed, by £2 for every £3 of extra income.

After that there's a patch in

Trusts and CGT

THE CHANCELLOR'S moves to ease the dilemma in which unit trusts and investment trusts find themselves over capital gains tax, had the managers of the said trusts, and virtually everyone else with an interest in the field, rubbing their heads over the consequences last week. What the Chancellor was asked to do was to reallocate the liability to CGT now spread between the trust and the investor, entirely to the latter: disposals of most trust investments were, so the argument went, too small to bring them into the CGT net anyway, and those that were within would have had higher unit (or share) prices for compensation.

Well, now that the exemption for CGT purposes has been raised from disposals of £1,000 to gains of £1,000, there should be fewer investors within that net than ever. But the net result of the Chancellor's tinkering is that they will still be paying CGT. Not directly, of course: not unless they are getting out with gains—in the current financial year—of over £6,000. (Nil to pay on the first £1,000; 15 per cent. on the next £4,000; 50 per cent. thereafter: on gains of £6,000 that works out at an average charge of just over 17 per cent.; and 17 per cent. is, for the moment—the level of the credit which trust investors receive against their CGT liability. It drops to 10 per cent. in the financial year 1979-80.)

But since the trusts themselves will continue to pay capital gains tax, albeit at only 10 per cent., anyone getting out with gains of under £6,000 and therefore exempt from CGT, will end up paying tax that he need not have done had the whole of the liability been allocated to him. It has to be said, though, that the figure is now marginal.

A rise in benefits

THE most remarkable change of the past two years in the field of social security has been the impact of child benefits—a recent addition to the range of social security benefits which replaces the old system of family allowances, and now takes in child tax allowances. It is a form of tax credit and as such has proved a potent tool for alleviating poverty. Since the poor do not pay tax, you cannot help them by providing tax reliefs—an obvious point, but one whose implications it took the authorities a very long time to grasp.

The increase announced in this week's Budget shows that the authorities are using child benefits to support families right across the board. But what are the implications for child benefit payments for families which are not poor? When the scheme was introduced, Mr. David Ennals said it took money from the husband's wallet and put it into the purse of the wife. The husband of course lost child tax reliefs. This happens in every family, yet one still hears women saying that they never bother to collect their benefits.

Several points need to be made about this. First, since the husband does lose the tax allowance if the wife does not collect child benefit the family overall is rather worse off. And it could be by a useful amount. Child benefit payments are tax-free, a point not brought out in the literature. The table shows the effect of the changes on basic-rate tax payers. The grossed-up value of those benefits is considerable, so do not ignore them.

Women claim that they can't be bothered to call in at the local post office for small



amounts. And a woman who is working is rarely able to call at the local post office when it is open, and might well be too busy on Saturday.

But since there are six months in which to cash the weekly slips, they can be left to accumulate. You could call at the Post Office once every three months, say, and collect a worthwhile amount. You could also arrange to have child benefit paid from a Post Office near your place of work, which would be more convenient than one near your home. Don't just abandon these benefits.

The government has also fulfilled an obligation to allow pensioners to share in the prosperity of the country, by uprating their pensions in line with the rise in earnings. Basic state pensions go up by 11.4 per cent. in November, to £19.50 a week for a single person, and £31.20 for a married couple. The widow's allowance goes up, too, to £27.30 a week. The increases bring the rise in the real value of pensions since 1974 to 20 per cent.—and how many investments have done as much?

Of course it couldn't be done unless pensions were funded from taxation. If company pensions are to be regarded as deferred pay, then there is a case for those pensions too to be updated each time there is a salary review. But inevitably, the existing labour force has local post office for small

Results of the proposed rise in child benefit from April, 1979.

Number of children	Annual benefit proposed	Increase in April	Extra tax payable*	Annual increase in family income		Grossed up value for family paying marginal tax at 34%	
				£	%	£	%
1 child	208	88.4	33.8	54.6	8.2	34.7	8.3%
2 children	416	176.8	67.6	109.2	16.4	69.4	16.4%
3 children	624	265.2	101.4	163.8	24.1	104.1	24.1%
4 children	832	353.6	135.2	218.4	32.8	138.8	32.8%

* Assuming payment of tax at 34 per cent. As the final column of the table suggests, a family paying a high marginal rate of tax will lose benefit as much on the reduction of allowances as they will gain in benefit. But the family will still be better off.

ERIC SHORT

Carrying card debts

THE IMPECUNIOUS among us have this to thank the Chancellor for: that the length of time over which debts incurred by way of Access or Barclaycard may be repaid has been extended. In a move that was plainly designed to give a modest filip to consumer spending, Mr. Healey announced on Tuesday that the minimum monthly repayment to be made was to be reduced from 15 per cent. (or £6, whichever was the higher), to only 5 per cent. (or £3, with the same qualification).

The net result is likely to be, that the length of the average loan will be extended. Whether that, in itself, is entirely desirable, is a matter for the individual. Granted that most people do repay their debts to Access or Barclaycard well within the maximum term at the moment, for those who allow



the debt to run this is a very expensive form of borrowing. That said, however, taking out a bank overdraft might necessitate the payment of a service fee. Moreover, there is no doubt that people appreciate both the flexibility and the anonymity of credit cards: there are no quibbles, in using them, over the possibility of rejection by the bank manager. And while it is obviously to the credit-card companies' advantage, that the length of credit taken should be extended, there is, after all, no obligation on the consumer to continue impecunious.

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3. The large number of different shares available to choose from makes America an ideal field for the Framlington method: the managers are able to identify companies with good prospects of earnings growth not already discounted in the share price.

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1. Framlington is a small but highly successful unit trust group with £10 million under management. The management team has been together for nine years.
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With the American Fund part of the portfolio will at first be bought through back-to-back loans and the remainder through the dollar premium, with the precise proportions always depending on the premium level.

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Joint applicants, all must sign. Sign Mr/Mrs/Miss or Title and Surname

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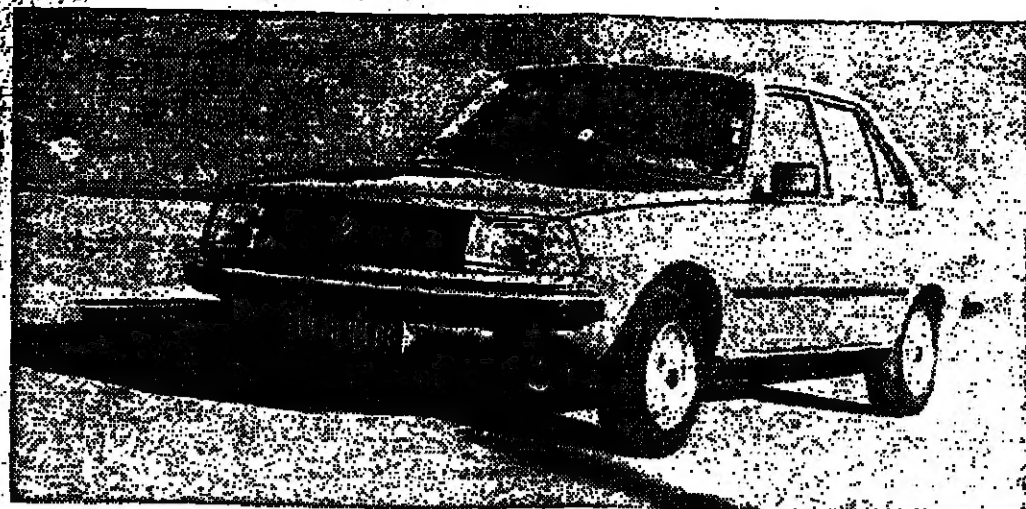
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American and General Fund

MOTORING



Conventional thinking

BY STUART MARSHALL

RENAULT strike a new note with the R18. Not technically, because it is a straightforward front-wheel-drive 4/5-seat saloon with quite a lot in common mechanically with the R12, but aesthetically.

Most of the cars Renault have introduced in the last 15 years or so support the old proposition that beauty is more than skin deep. At first sight, their looks are decidedly odd. But, once the logic behind their apparent eccentricities becomes clear, their appearance begins to grow on you—or at least you get used to it. (Think of the R4, the R16 and the more recent R14 and you will see what I mean.)

What has never been in doubt is their practicality—and does it matter all that much if a thing looks peculiar providing it works very well indeed? In the past, Renault have clearly thought not, but their latest car stands that philosophy on its head. The R18 has clean, non-controversial styling that looks right at first acquaintance and it is not just a car with a pretty face. It goes very well, too.

In size, the 14ft 4ins long R18 comes in between the R14 and R16. It is not a hatchback, like every other car Renault make but the R12, but a three-box saloon. The bonnet is long, for safety crushability but also because the engine is mounted fore-and-aft, not fashionably sideways. The passengers sit in a reinforced cage and there is a spacious boot for their luggage.

Two engines are offered. The "TL" and "GTS" models have a 1,595cc four-cylinder similar to the R17's which develops 64hp at 5,500 rpm. The "TS" and "GTS" are powered by a 1,747cc light alloy engine similar to that of the R18TX and putting out 79hp. Four-speed manual gearboxes are standard on all models except for the "GTS".

Seeds for a lawn

APRIL IS THE ideal month for making new lawns and renovating old ones. With the soil as moist as it now is after the prolonged winter rain, seed germination should be exceptionally good this year.

Of course, it is not essential to grow grass from seed. Turf offers a quicker alternative in terms of readiness for hard wear but it is also a great deal more expensive and is often less satisfactory in the long run. The major difficulty is to obtain turf containing the right grass species for the site and the purpose for which the lawn is required. Usually one must be satisfied with whatever grass happened to be growing in the meadow or on the building site from which the turf was cut and that is far more likely to be strong growing, broad leaved agricultural grasses than the much slower growing fescues and bent grasses (agrostis species) which make the finest lawns.

By using seed one can select a mixture (and mixtures are almost always more satisfactory than single species) to suit one's requirements: fine grass mixtures for lawns that are to be close mown and used for clock golf, croquet, tennis or any other ball game requiring a true playing surface; coarser mixtures containing rye grass, meadow grass (Kentucky Blue grass for example) or timothy, where the purpose is solely to make a lush green carpet on which to display flower borders, shrubs and trees. The tough stalked meadow grass, Poa trivialis, will thrive on soils too moist for the finer grasses and the wood meadow grass, P. nemoralis, will grow in the shade. It may not be possible to find all these alternatives among the two or three standard mixtures offered by most garden centres but they can be obtained from grass specialists and it is worth going to that extra trouble where there is need for them.

Sites for lawns should be just as carefully prepared as beds for flowers or plots for vegetables. They should be thoroughly dug a full 25cms deep and all perennial weeds, such as couch grass, docks, dandelions, buttercups and nettles removed. Annual weeds can be dealt with later, mainly by mowing which will prevent most of them seeding and so will fairly quickly eliminate them but also with selective lawn weed killers if this is necessary.

When the site has been prepared and levelled off ready for seeding, and if there is already a growth of weed seedlings

before the grass is sown, the most effective way of dealing with this is to spray or water with Weedol. In sunny weather this will kill the weeds completely in two days without contaminating the soil. As soon as the weed leaves have withered sowing can commence. This is better than forking or hoeing the weeds as any such cultivation will bring more weed seeds closer to the surface to germinate and cause further trouble. The soil should be dusted with fertiliser a day or so before sowing. Any good

GARDENING

ARTHUR HELLIER

compound fertiliser such as National Grassmore will do.

Experts often recommend seeding rates of around 60 grammes per square metre (2 ozs per square yard) but this seems to be unnecessarily extravagant and I never exceed half this rate. It is even possible to get away with lower rates of seeding if conditions for germination are very favourable but that is taking a risk. All grass seed should be treated with a bird repellent. Most of what is sold is so treated but if it is not, the bird repellent should be purchased separately and added to the grass seed as directed by the manufacturers.

I find it best to divide the required amount of seed into two equal parts and sow them separately, for one lot moving lengthwise up and down the lawn site, for the other crosswise at right angles to the first sowing. In this way one is much more likely to get even distribution and I find this is true whether one sows from a fertiliser distributor, or, as I prefer, by scattering the seed by hand.

Depending on weather and the species of grass seed being used, germination will take anything from about a fortnight to a month. The coarser rye and meadow grasses are always the first to appear and the fine fescues are usually the last so if you have chosen a fine mixture do not be greatly worried if nothing seems to be happening for a while. I have known over anxious garden owners who insisted on having their lawns reseeded after a week of no

cially, tyre-induced road noise, was minimal.

The "GTS" conveyed an impression of being some way up-market of the "TL" with an excellent five-speed gear shift, a subtly more solid feel altogether and very good performance. It just exceeded 100mph in fifth at a fraction under 5,000rpm, showed over 80mph in third gear and 90mph in fourth and responded equally well to a lazy driving style in town traffic.

Both cars had cloth trim and good fresh-air ventilation. The front seats, though comfortable enough, would be better if longer in the cushion, which leaves the thighs unsupported. Equipment is generous. All the cars have cigarette lighters, trip recorders, boot lights, rear fog lamps and plastic protected wheel arches to keep stone chippings and consequent rust at bay.

Additional items on the "TS" include a quartz clock, front passenger map-reading lamp and halogen headlamps. "GTS" and the smaller-engined "GTL" buyers get electric window lifts, electro-magnetic centralised door locking, a headlamp wash-wipe system, tinted windows and rubber strips to protect their flanks from careless door-openers in car parks. Among the few options, other than automatic transmission, is a large area fabric sunroof.

Renault cannot give any indication of likely R18 prices when right-hand drive cars come here early in 1979. Were it on sale here to-day, my guess is that the R18TL would start at around £3,100, making it dearer than the poshest of the R12s and R14s but cheaper than the least expensive R16, the £3,419 TL. The five-speed "GTS" with all its executive-style extras would have to be a £4,000-plus motor car.

Following the steps of the masters

IN TRYING to assess the brilliance of South African Gary Player's third victory in the U.S. Masters Tournament in Augusta, Georgia, as the sharply etched shadows lengthened last Sunday evening one has to think in terms of superlatives—as many believe the new champion is wont to do rather too often for his own credibility. But not even Ben Hogan's romantic comeback after a near fatal car accident spoke more highly for both dedication to this craft and perhaps even more importantly to total physical fitness.

Player's burning ambition is to be known as the greatest golfer in the world. In world terms and pound for pound the five feet eight inches tall South African, who weighed 10 stones 10 pounds on recording his 112th victory, just as he did when he first won in the U.S. the Kentucky Derby Open in 1958, has only Bobby Jones and Jack Nicklaus to beat. I personally consider that any comparison with the former is nonsense in any case since he was an amateur who gave up his competitive career while in his prime in another era, among other things to set up the Masters tournament that became a by word for its excellence long before this, the 42nd playing of the event.



The oldest ever Masters champion at the age of 42, Player has now won nine major titles against the 16 of Nicklaus. But Gary has also won three Open championships here (1959, 1968, 1974) to the two of Nicklaus (1966, 1970), seven Australian Open titles to Nicklaus's five, 11 South African Opens to Nicklaus's nil, and five Pictorial world match play championships to Nicklaus's one. Surely no golfer ever accomplished so much outside his own country or ever travelled so indefatigably. In last Sunday's record-equaling last round of 64 and inward victories in 1961, 1974 and last

week-end are the only ones recorded by a foreigner. His day tied for tenth place seven shots behind Hubert Green, the overnight leader, and despite a birdie at the ninth hole was still five strokes behind Green at that point. The rest is history, but it bears repeating.

Birdie putts of 25 and 15 feet at the 10th and 12th kept up

Player's finest ever performance among many. He started the day tied for tenth place seven shots behind Hubert Green, the overnight leader, and despite a birdie at the ninth hole was still five strokes behind Green at that point. The rest is history, but it bears repeating.

GOLF

SEN WRIGHT

Player's now almost frightening momentum. In between a chip at the 11th hole for a birdie lipped out and Player dropped to the ground and lay on his back, kicking his legs in the air. Afterwards he admitted: "It was unbecoming to do such a thing at the Masters but I did it without knowing I was doing it. I was very tense at the time."

Player almost came out of his shoes to carry the water and set up birdies at both the par 5s, the 13th and 15th holes, and unerringly rolled in down hill putts of 14 and 15 feet respectively for the last two of his seven birdies in the final ten holes at the 16th and 18th.

Rod Funseth and Tom Watson fell victims to the vicious undulations on the big green of the otherwise innocuous 14th hole. Watson actually taking three putts from six feet. Funseth from a far greater distance.

For one fleeting moment all the four contenders were tied

at ten under par, and later Watson and Green drew alongside the early finishing Player at 11 under. But Watson, the defending champion, made a sorry mess of the 18th hole and Green, having taken three putts for a birdie at the 17th. The putt to tie of no more than three feet that Green missed at the last will forever be laid at the door of Jim Kelly, the CBS radio broadcaster whom Hubert knows so well, but only by the public—not by Green himself. There is no doubt that his concentration was disturbed. But Green pushed his putt as he demonstrated to a group of us an hour or so later in falling light—by holing the same putt four times out of five.

His tragic miss has been compared to that of Doug Sanders in the 1970 Open championship at St. Andrews. But the chief difference between the two was that Sanders was coming to the end of the road, and Green is palpably going to be a major force for some years to come. Perhaps the most poignant moment for me—at least televisually—was the insert at the top left-hand corner of the screen of Player's face registering almost as much relief as delight as Green missed his putt. It is well known that Gary detests the sudden death play-off, feeling that major championships should not be decided at a single hole—and I heartily agree with him. But his case is far more convincing, since he has suffered sudden death no less than 17 times.



Bred for carpets

"THE BEST carpet wool ever to come off a sheep's back," that is how Harry Duffield, chairman and managing director of Axminster Carpets, describes the fleece of a rather special flock of sheep that grazes the rolling hills around the ancient Devon town from which the mill takes its name. And Duffield has plans to expand that Drysdale flock, which he imported from New Zealand, to a size where its wool clip will totally satisfy the raw material needs of his carpet manufacturing operation, which annually consumes 5m. lbs of wool.

For Duffield, Drysdale is as much a case as a raw material. He played an important part in helping to get the breed established and built up to commercial status in New Zealand. To-day there are sufficient numbers in that country to supply its indigenous carpet making industry with its total



Harry Duffield, chairman and managing director of Axminster Carpets, with the first Drysdale lambs to be born in the U.K.

produce the last word in carpet wool: the resiliency of the Blackface for instance without any of its black hairs. Yields of some breeds such as Swaledale can be dramatically increased, while the staple length and colours of others can be much improved.

For the future Duffield sees a blend of three distinct types of wool, all based on Drysdale, as producing a world beater for carpets. The predominating component would be pure Drysdale, to which would be added a percentage of Drysdale cross Blackface or Swaledale, to provide resiliency, and then the finer wool of a Drysdale cross with an Exmoor Horn or Devon or Romney would contribute fineness and help the spinning qualities.

Now he is seeking support from farmers in the south west and other parts of Britain to adopt these breeds, the pure Drysdale as well as the crosses, in a big way. He wants to build up flocks of some 400,000 sheep on a shared cost basis so that his spinning mill, which processes 5m. lbs of wool (its only raw material) annually can switch in time to these custom-bred wools entirely.

The Buckfast capacity has been considerably increased in recent times to keep up with the demand of the newly equipped Axminster mill. Its weaving shed now houses 20 modern high-speed Axminster looms.

TV Ratings

(This is for April 9)

1. This is Your Life (Thames)	18.26
2. Rising Damp (BBC)	18.20
3. Coronation St. (Wed.) (Granada)	17.46
4. Mixed Wastings (LWT)	16.78
5. Archibute Thelma (Thames)	16.30
6. Who Dares It (Thames)	15.75
7. Wide Alliance (York)	15.50
8. Get Some in (Thames)	15.00
9. Coronation St. (Mon.) (Granada)	14.25
10. Rennie Cartwright (BBC)	14.20
11. Celebrity Squares (ATV)	14.05
12. All Creatures Great and Small (BBC)	14.05
13. Crossroads (Wed.) (ATV)	14.00
14. Sale of the Century (Anglia)	14.00
15. Crossroads (Thurs.) (ATV)	14.00
16. Crossroads (Thurs.) (ATV)	13.95
17. Crossroads (Fri.) (ATV)	12.65
18. Elmfield Farm (Thames)	12.55
19. Gains Strategic (BBC)	12.55
20. Elmfield Farm (Thurs.)	12.50
21. Nearest and Dearest (ITV)	12.50

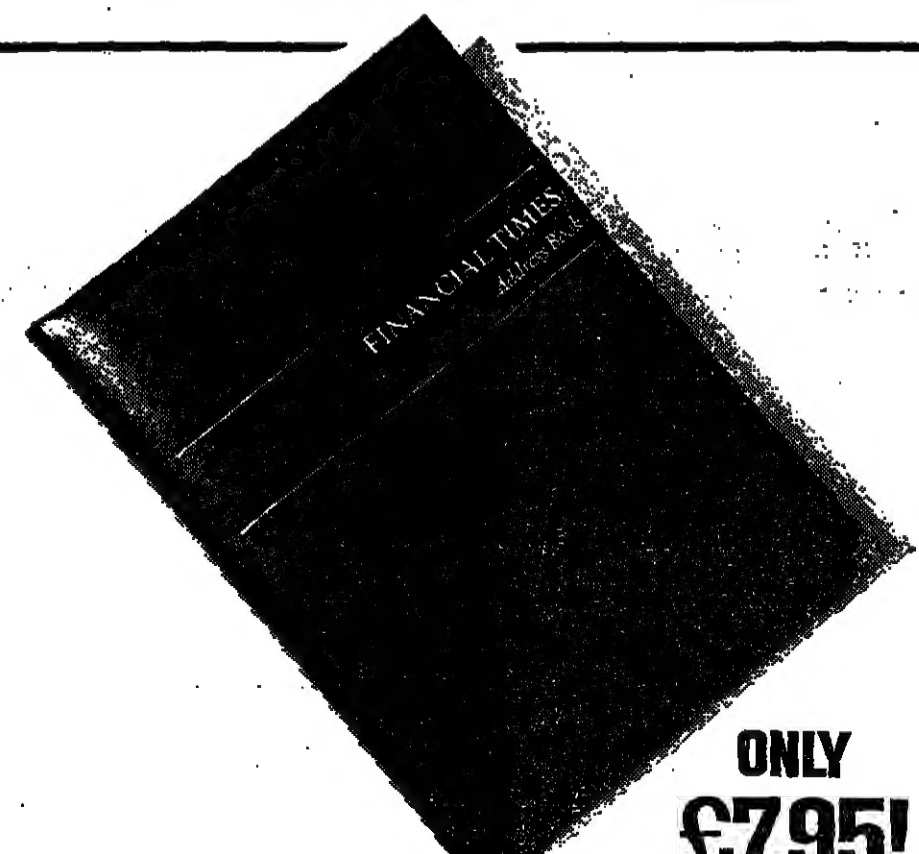
Figures compiled by Audit of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICATV).

U.S. TOP TEN HEILSEN RATINGS

1. 9th Academy Award	26.3
2. Lawrence and Shirley (Comedy)	21.1
3. Three's Company (Comedy)	20.3
4. Happy Days (Comedy) (ABC)	20.3
5. Cher (Special) (ABC)	16.8
6. Family 'Unsub' Down (Drama)	16.8
7. Project UFO (Special) (NBC)	15.7
8. Amazing Spider-Man (CBS)	15.3
9. MASH (Comedy) (CBS)	15.3
10. Harvey Korman Show (Comedy) (ABC)	15.3

A Nielsen rating is not a numerical peak.

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HOW TO SPEND IT

مكتبات الأمل

by Lucia van der Post

Rooms for all seasons

ANYBODY who has ever tried to do up a house will know the frustration of trying to put together a certain look or feeling. Many's the time I used to see a room in some glossy magazine and feel that I wanted something rather like that only different. Trying to find the furniture and the right props and accessories was a nightmare job involving endless journeys all over town.

A new enterprise called simply Homeworks is designed to help interior designers and decorators, and through them their clients, in getting a certain look or style together. Homeworks is the brainchild of Robin Guild (who with his ex-wife Patricia Guild founded that very successful enterprise, Designers Guild) and of David Millard, who used to be retail director of the Conran shop in the Fulham Road.

They have taken over an old building in a little cul-de-sac just off the Fulham Road and here, in over 12,000 square feet, they have created a magic world of highly-styled, high-fashion interiors. Everything on show is for sale to, and can be viewed by, the general public. Everything is marked at full retail price. You will find there a whole host of things—furniture, glass, carpets, accessories—the like of which you have never seen before.

However, the main target is not the general public. Basically Homeworks aims to provide a service to interior decorators and designers—not the very grand ones who have their own showrooms and workshops (and who, therefore, are obliged to charge accordingly as they have premises and staff to support) but the smaller ones who will find Homeworks a wonderfully simple way to introduce to their clients a whole spectrum of furnishing styles and ideas.

The most difficult part of the interior designer's job usually is to persuade the client to give

a sufficiently clear brief. Very often the client has only the very vaguest idea of the sort of effect he or she would like. A trip round Homeworks should quickly clarify ideas. The styles go through the whole contemporary gamut—from sleek, avant-garde Italian, through rustic cane, slightly kitsch/film star/Odeon and on to the subtle blend of modern and old which is the look I personally like best.

Each room setting (everything is organised into complete room settings) has a completely different feeling about it. Though Robin Guild and David Millard make no bones about the fact that most of the furniture, furnishings and accessories are expensive they point out that many of the ideas are exceedingly inexpensive.

For instance rough brick has been used in one area on the floor and very attractive it looks. The cheap unplanned timber, painted with white emulsion and stain-rubbed along the joints, has been used on the walls of another room. Fabric on the walls gives a luxury look to a room at very unluxurious prices. Very inexpensive deck-chair material, obtainable from most do-it-yourself shops, has been used, again most successfully, in yet another corner.

One of the rooms I liked best (one of those very idyllically put together rooms where pattern in such a way as to create a rich, intricate but not disturbing feeling to the room) has ordinary wooden floors which have been stencilled for extra decorative effect—again, this requires time and patience, but not much money.

Besides offering a wide choice of styles which helps crystallise the client's idea of what he wants, the interior decorator is offered a large, quiet room where he can work with his client. The services of a vast library of catalogues and colour slides of over 3,000 interiors, a magnetic



A group of natural rattan table and chairs from Spain.

board to which all the available furniture in small-scale pieces can be attached to show their relative size to certain rooms. All the usual services are offered—curtain-making, carpet laying, electricians, plumbers, painters—though again it is important to note that the general public only has access to these through their interior decorator.

However, I recommend a trip to Homeworks to anybody thinking of doing up a room or an entire home—they couldn't fail to come away with some new ideas. The accessories and range of fabrics are very original and much of what was on show was completely new to me. I loved the ceramic ducks from France—much more sophisticated than

the decoy ducks from America. There is some quite amazing and beautiful by John Lott and lighting, of which perhaps the most astonishing is a lamp made from dangling bunches of glass grapes—I thought it most unusual and surprisingly attractive.

The floor coverings also appealed to me—they include kilims and hand-woven modern pieces. There are mirrors in

I USED to think that herbal teas were only for cranks and hypochondriacs. The French, of course, poor things, needed them forever suffering as they were with their crises de foie. Normal people, I thought, could get along very well without them. However, one evening after dinner a friend made me some of her own peppermint tea and I was introduced to the delights of herbal teas. For those who, like me, have difficulty in sleeping if they have coffee after dinner, or who just don't like coffee, will find that herbal teas are a soothing, delicious alternative.

Last year I reported that Justin de Blank, from his base of running some of London's finest and most exclusive food shops, had discovered an increasing interest among his customers in tisanes (as the French call these herbal teas). He was even about to bring out a full list of their tisanes that out of London customers could order by post.

Well, the list is now ready, and among the 20 or so tisanes are not only the most commonly known, like Mint and Yervail, but rarer breeds like Cowslip, Pennyroyal and Elderflower Blossom. They are soon to introduce an appetite-depressant tisane which will be good news for slimmers.

For a list send an SAE to Justin de Blank Flowers, 114, Ebury Street, London, S.W.1.

A little herbal lore

Culpeper, too, have a long and interesting list of herbal teas and are happy to dispatch them by post. They have some 180 varieties of herbs from which no potions can be made. Perhaps the most unusual are Eyebright and Comfrey, which has a reputation for speeding up cell-replacement and thus healing cuts, bruises, etc. The staff at Culpeper will advise on the effects of the different tisanes. Peppermint, for instance, is meant to be mildly sedative while Verba Maté is sedative while Verba Maté is don't like coffee, will find that herbal teas are a soothing, delicious alternative.

Write to Culpeper Ltd., at Haddock Road, Luton, Cambridgeshire, enclosing a sae for a list of their tisanes.

Meanwhile, available all over the country at good food stores and gift shops, are Crabtree and Evelyn's new packs of three herbal teas. Like most Crabtree and Evelyn products, they are exquisitely packed. The three flavours they have just introduced are Camomile (meant to be soothing and therefore good to take before bedtime), Peppermint (a hybrid of green mint and water mint, it is meant to be refreshing and aid to digestion) and Rosehip with bilberry blossom. Each pack contains 25 sachets and each costs 85p per box.

To prepare the tisane, keep a china pot specially for them, bring water to boiling point and then infuse the sachet for 5-8 minutes.

Sitting pretty

LAST year I mentioned that I had discovered a firm who were bent on reintroducing the delights of the wooden lavatory seat to the great British public. I had known from previous experience of writing about bathrooms, when readers in their considerable numbers had written to me imploring me to look for them somebody who would supply such an old-fashioned item. A wooden lavatory seat was a commodity greatly in demand. Certainly the response to last year's piece indicated that plastic was not the undisputed top choice—very much the contrary. Most people would prefer a wider selection of finishes.

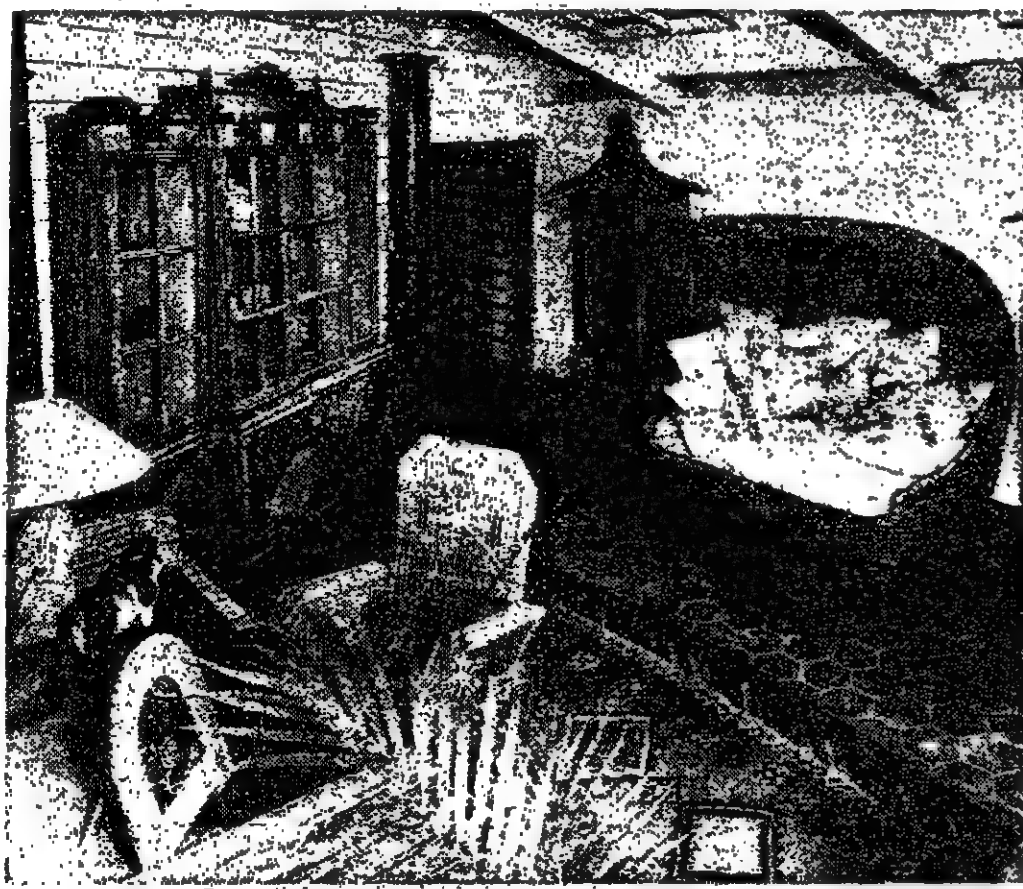
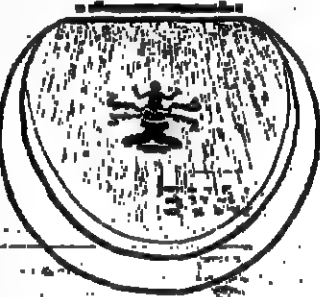
For those who want wooden lavatory seats but like them to be personalised, "Sitting Pretty" is the somewhat coy name of a firm that will supply you with your own solid wood seat, embellished with your family crest, racing colours, monograms or club insignia. The wood used is either mahogany or obeche. The wood is completely sealed to make it easy to clean and each seat is fixed with adjustable brass fittings.

The mahogany version costs

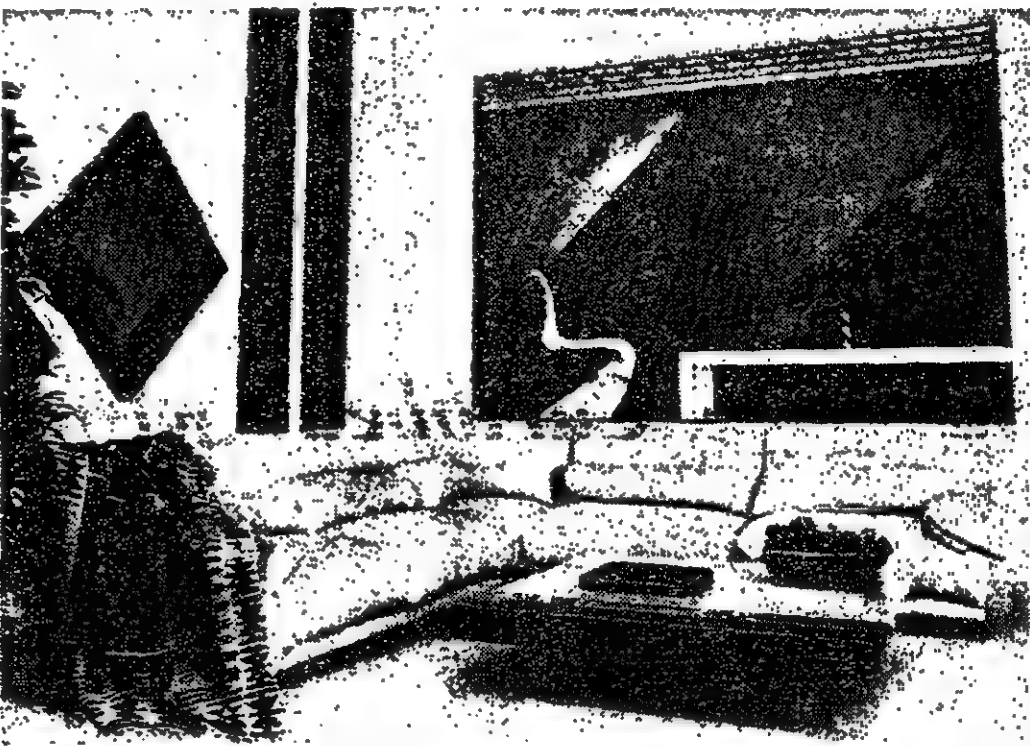
£39.50 (inc. VAT), the obeche one (which has a rosewood-like finish) is £29.50. Prices for the specialised touches vary from £5.00 for a monogram, £10 for a crest, club insignia or racing colours to £20 for a full coat of arms.

"Sitting Pretty" suggests that these personalised seats could make an original wedding present, and why not?

Sitting Pretty of 131, Dawes Road, London SW8 will despatch them anywhere in the United Kingdom for the quoted prices. Ordinary wooden seats can usually be supplied straight from stock but special orders take about three weeks.



Traver (Homeworks)



Above: A streamlined, elegant group of hide-covered seating by the Italian firm of Saporiti—very luxurious and very expensive. Left: In the background is an amazing cane sofa designed by Colin Morrow (called "The Shell"). The birdcage and cabinet are from the same firm, Arpej of Rome.

From basin into shower

SHOWERS have long been known to be one of the most economical ways of keeping clean. Shower users get through much less hot water per shower than they would use if taking a full bath. It is calculated that you could have about six showers for the price of one bath. Primarily, however, showers are popular because they can be fitted into much smaller spaces than any bath. They're a particular boon to families with children who don't have enough space to install a second bathroom but are fed up with finding the one and only bathroom is either unavailable because the children are in it or it's awash with the kind of litter that seems inseparable from children's bathing.

Dolphin Showers have just released on to the market a new shower which is even more versatile than most and which should prove popular with families desperate for more washing facilities. This particular shower can be used either as a shower or as a washbasin and what is more, it can be converted from one to the other in approximately five seconds (perhaps 20 seconds if you haven't developed the knack).

As you can see from the picture the base is moulded in one piece and when it is on the floor it is a shower tray, when put into the upright position, the



side of the base forms a basin. Water from the shower and the basin runs away into the same piping. Besides the enormous advantage of one unit providing both shower and wash-basin facilities, this particular unit has several other, very practical advantages. It takes up a very small amount of space—it is 35½ inches wide and weighs 86 lbs. It comes complete with a temperature stabiliser which prevents the temperature from varying greatly. It is also fitted with an anti-scald device to cut off the heating if the water temperature rises above a pre-set level. This may not seem necessary to adults but it is vital if children are using the equipment.

The water is heated instantaneously, as you use it. There are curtains to help prevent water splashing and the whole unit comes with a one-year guarantee.

Dolphin Showers insist that their own engineers must do the installation and the inclusive price of shower plus installation is £495.

For a brochure and further information write to Dolphin Showers, Bromwich Road, Worcester, WRI 4BD.

Gardens open for charity

TWO GUIDES for garden lovers have recently come out, both support charities—though different ones—and both are invaluable for those who like to visit gardens during the summer months.

Gardens to Visit, is the smaller of the guides and lists some 300 gardens, which those wishing to support either pensioners or orphans who garden might like to visit. Knowing that their entrance fees will go to help these groups of needy people. Though small the booklet is well arranged with gardens listed according to opening months, area and then cross-indexed alphabetically. If you'd like a copy, it is 30p at W. H. Smith or 30p by post from Gardeners' Sunday, White Witches, Claygate Road, Dorking, Surrey.

Gardens of England and Wales. Open to the Public, lists some 1,300 gardens and aims to support nurses, whether old or young, who are in need, as well as the Gardens Fund of the National Trust. Many of the gardens listed are not normally open to the public but may be visited on the dates shown, and the proceeds go to the charities mentioned.

This booklet is 50p at book-sellers or it may be bought by post by sending 65p to The National Gardens Scheme, 57, Lower Belgrave Street, London SW1W 0LR.

A point to bear in mind is that because these booklets exist to help support certain charities each only gives the day a garden is open in aid of that particular charity. Some of these gardens may be open in the normal way on other days when the proceeds may be used in other ways.

Cooking with Philippa Davenport

Chicken and rabbit are traditional April favourites in my household—probably because Easter usually falls in April. And, if the weather is kind, the first new season's vegetables should begin to appear in the shops this month. Early asparagus should seem prohibitively expensive but young carrots provide a modest treat. They taste so sweet and look so invitingly pretty in their bunches with foliage that I can't resist them. Broccoli, cauliflower, spinach and new potatoes should all become more plentiful and cheaper while leeks and imported beans and mange tout make the choice still more deliciously varied.

SUGGESTED APRIL MENUS:
Chicken with grapes and walnuts on a bed of boiled rice with steamed broccoli
Salad of cress and watercress with a selection of cheeses
Pudding with port and almonds
Crostini di fegatini
(Chicken livers and pieces of ham on rounds of fried bread)
Rabbit with orange and olives
buttered noodles, steamed leeks and carrots
à la Vici
Rice braisée

FOULET AU POT makes a lovely and inexpensive Springtime dish. I use a roasting chicken and brown it all over in butter before poaching as I find the anemic skin of plain poached chicken is unappealing both to look at and to eat. Small whole leeks, broccoli spears, mange tout, baby carrots and new potatoes in their skins make a colourful combination of vegetables. I steam them over the pot rather than immerse them in the liquid as this seems to retain texture and flavour so much better.

VINAIGRETTE A L'OLIVE is, I suppose, the traditional accompaniment to a roast chicken but changes sometimes with other equally quick and easy alternatives.

WALNUT AND PAPRIKA SAUCE is excellent with poached fish as well as chicken. Grind 6 oz walnut kernels in an electric coffee mill (remove skin first if you have the patience), blend in a generous 3 pint of piping hot, well-flavoured

CHICKEN WITH GRAPES AND WALNUTS is a delicately flavoured dish which looks particularly handsome if served on a bed of white rice and surrounded by steamed broccoli spears. I have also made it very successfully using guinea fowl and pheasant in place of chicken. For six people you will need 1½ lb skinned and boned poached chicken meat cut into bite-sized pieces, 2 oz fresh breadcrumbs, 1 lb butter, ½ lb halved and pipped white grapes, 3 oz halved walnut kernels and 2 pints poaching stock reduced to 1 pint for a satiny texture and good flavour.

Rabbit with orange and olives is a more robust dish—cooked like a casserole but served with a rich gorgonzola sauce coating the meat. For four people, joint a rabbit and dust with about 2 oz caster sugar. Fry 1 lb sliced onions in a little oil and butter until coloured and transfer to a casserole. Brown the rabbit joints and add them to the casserole, tucking in between the joints 1 lb streaky bacon rashers, with the rinds removed and each rasher neatly rolled up.

Add to the pan a large crushed garlic clove, the finely grated zest of 2 oranges, 3 fl oz Marsala, a generous seasoning of dried or fresh thyme and some salt and pepper. Bring to the boil, scrape the pan well to get all the onion and meat sediment from the pan base, and pour it into the casserole. Cover and cook at 300°F gas mark two for 1½ hours or until the rabbit is tender, adding two more olives during the last half hour. Just before serving, strain off the liquid and fast boil to reduce and thicken it to a well flavoured, rich brown sauce. Prunes steeped in vinegar, sugar and spices (for which I gave a recipe in December) make a delicious alternative to olives.

Prunes with port and almonds point as slowly as possible, cover and simmer for 5-7 minutes. Turn into a bowl, cool, then refrigerate for 3 days. Just before serving, divide the prunes and their syrup dish to prepare and very rich, so it goes a long way. Measure 4 tablespoons soft brown sugar, 1 tablespoon lemon juice, 1 pint port and 4.5 table-spoons cold tea into a pan. Add 1 lb prunes, bring to simmering little with the prune syrup.

ARTS

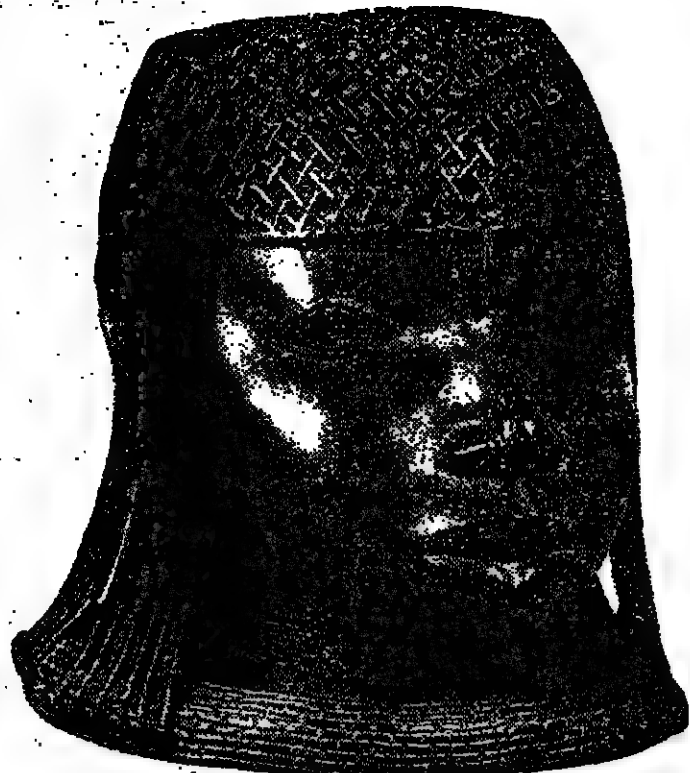
A private benefaction

Having written in a recent article upon the pitiable state of patronage of the visual arts in this country, I am happy to say that there now occurs a magnificent example of private generosity to serve my point. Through the various charitable trusts, the Sainsbury company, from which the funds for this particular enterprise were first derived, is indeed an imaginative and generous, if rather self-effacing patron.

The Sainsbury Foundation for the Visual Arts is a private benefaction on the grand scale. Sir Robert and Lady Sainsbury gave to the University of East Anglia virtually their entire collection of works of art, the fruit of a long career of shared enthusiasm; whereupon their son,

ART

WILLIAM PACKER



A Benin bronze from the Sainsbury collection

David, came up with £5m. by which to house and endow it suitably. The building complete, the Foundation opened earlier this month to the not unnatural private and civic celebrations, and some controversy.

It is a gift which the University, with its distinguished School of Fine Art, was only too pleased to accept; and the undergraduates who objected, feeling that the money had been better spent on them, improving their own accommodation, seem rather to have missed the point. What has been given to them, in fact, is the opportunity to live and work with and among some great works of art as a matter of course, a natural feature of their daily lives: for a major portion of the interior, designated rather archly The Living Area, will always house a sample of the collection, an enviable inspiring and civilising influence.

There is, besides, the academic value of the collection, which is considerable. For these first few months it is all on view, filling not only the living room, but the special gallery, meant to take visiting exhibitions, as well. The collection is personal, reflecting personal interest, taste and judgement; which is always fascinating to see, and is its own justification: but certain

parts of it inevitably are stronger than others. Its range is extensive, its great strength its global view of primitive sculpture. African, Oceanic, North American, pre-Columbian, Mediterranean and Celtic that together show up Primitive as a *sad misnomer*. Egyptian and Oriental antiquities, which also come within the Sainsbury scope, escaped the epithet long ago.

The European painting and sculpture of the last 100 years, or so, offers fairly narrow a view, concentrating almost exclusively on figurative, and inclined decidedly towards expressionism, whether implicit or actual. Henry Moore, Francis Bacon and Alberto Giacometti are especially well represented, and there is a cast of the Petite Danseuse by Degas; perhaps the best thing of the lot the rest is uneven, but full of treats, major ones in the cases of Soutine, Picasso and Modigliani.

The building also houses in its elegantly functional interior the Senior Common Room, Restaurant and School of Fine Arts.

and it is certainly spectacular, inviting comparison with the Centre Pompidou. If only through the English connection in its design. But, though Norman Foster has hung all the workings of the building to the walls, leaving a vast and column-free space, it does not wear its guts on its sleeve. There it sits in the campus parkland, its shiny skin blue and silver in the sun, a huge, improbable hangar from which anything might emerge, as crisp and bright as a new pin.

Maxwell Davies premiere

The main event of the second annual St. Magnus Festival of Music in Orkney from June 16-20 is the world premiere of the opera *The Two Fiddlers* by Peter Maxwell Davies. The opera is based on a story by Orkney poet George Mackay Brown. Fifty pupils from the Kirkwall Grammar School are taking part in the production.

John Williams

ART FOR WHOM? shouted a leaflet for the Serpentine Gallery, as we left the Wigmore Hall. "We are increasingly dissatisfied with the failure of so much contemporary art to communicate with anyone outside a small circle of initiates," declared the organisers of the gallery's current show.

They should have been inside the Wigmore Hall on Thursday, where one answer to their question was made plain: art for absolutely anyone who had the least inclination to listen was on show all evening in the unpretentious, dazzlingly skilful, humane, and (whether the Serpentine Gallery likes it or not) genuinely popular music-making of John Williams.

Difficult to think of anyone who has so easily crossed the boundaries of light music, classical, commercial pop, folk, and sophisticated jazz in the last few years without either compromising their integrity in each field or sounding unbearably pompous. But John Williams has succeeded. On Thursday he played and introduced a few of the art of relaxed concentration, the evening was disarmingly satisfying, and that's all first half, and by August there is to be said.

MUSIC

NICHOLAS KENYON

variations of Ponce with just the information that was needed to increase our enjoyment, and added on the spur of the moment an early folk by Gaspar Sanz to show us the musical basis of the form. By such means, allied to his sheer skill, he cajoles us into listening, not merely doming pleasantly, yet his playing is completely at ease, and his communication does not rely on hyper-tension. He is the master played and introduced a few of the art of relaxed concentration, the evening was disarmingly satisfying, and that's all first half, and by August there is to be said.

Theatres this week...

ROYAL COURT—*Class Enemy*. Funny, savage, sad play about dead-end schoolboys, as entertaining as important. Reviewed Monday.

ROYAL EXCHANGE, Manchester. *Crime and Punishment*. Concentrated version of Dostoevsky, with Tom Courtenay and Leo McKern. Reviewed Monday.

PLAYHOUSE, Nottingham—*Macbeth*. Richard Eyre's final production at the end of a profitable production as artistic director. Reviewed Monday.

Reviewed Thursday/Friday. ICI—*The Case of Charles Dexter Ward*. Supernatural opera in the Illuminatus manner, extracted from H. P. Lovecraft. Reviewed Thursday/Friday.

PHOENIX, The Unearthed Truth. Knockout farce with Tim Brooke-Taylor and Graeme Garden from *The Goodies*. Reviewed Friday.

WAREHOUSE—*The Lorenzaccio* Story. Last year's Stratford production. Reviewed Friday.

...and next

Monday. *It's Pity She's a Whore*. From Stratford to the Warehouse, and *Arms and the Man* starting a Horniman tribute at Green. Tuesday. *Don Juan Comes Back from the War at the Cottage*, and *On the Out at the Bush*. Wednesday. *Alce*. McCoven speaks St. Mark's Gospel at the National Theatre. Thursday. A new piece, *Coming and Going*, at the Liverpool Everyman.

BRIDGE

E. P. C. COTTER

MY EXAMPLES TO-DAY are again from "The Guardian Tournament" which took place over Easter. The hands were computer-dealt, and though there were a large number of interesting hands, I feel suspicious of programming that produces singletons some 80 per cent. of the time.

There is nothing sensational about the first deal, but there is plenty of food for thought:

N.		E.	
♠ 7 5		♠ K 7 4	
♥ K 10 5 3		♥ A K 10 5 3	
♦ A 8		♦ 7 6	
♣ 5 3		♣ K 3	
W.		E.	
♠ J 8 4 3 2		♠ 10	
♥ Q 2		♥ J 7 4	
♦ 9 2		♦ K 10 8 7 5 4	
♣ A 7 6 4		♣ K 8 2	
S.		N.	
♠ A K Q 6		♠ —	
♥ A 8 6 5		♥ 7 2	
♦ Q J 3		♦ A K Q J 10 9 2	
♣ Q 10		♣ A Q 8 4	

At game to East-West, after East had dealt and passed, I had no problem in the South seat about my opening bid, as we were playing a strong no trump. With 8 points my partner had enough to raise to two no trumps, and I could go three with my maximum.

After the lead of the spade three, I won and played the ten of clubs. East took and returned the seven of diamonds, but the attack in this suit was too late to defeat my contract. If West leads the nine of diamonds, good defence can hold me to eight tricks. East must not play his King, but must encourage with

With both sides vulnerable. East dealt, and South opened the bidding with two diamonds, to which North replied with two hearts. South now correctly rebid four diamonds, showing a solid suit, and North said Four hearts, which in this sequence showed the two top honours. South now made a cue-bid of five clubs. North showed second-round control with six clubs, and South bid the grand slam in diamonds.

In seven diamonds, after a fourth-best spade from West, dummy plays low. East puts up the Knave, and the declarer ruffs. Now the percentage play is to ruff one club on the table, which succeeds, but if South happens to be a pessimist by nature with an innate dread of being overruled, he can draw trumps and still make the contract. The stars in their courses are fighting for him, because the unhappy East, with four cards in clubs and hearts, as well as the Ace of spades, soon finds himself in the grip of an automatic squeeze, and is in trouble as early as the fifth trick.

When some Souths were content to settle for the small slam, their partners tried for a good match point score by bidding six no trumps, and made 13 tricks unless East decided to start with the Ace of spades.

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William Morris

WILLIAM MORRIS ranked as the noblest of the weaving arts because "there was nothing mechanical about it, next to mosaic the most lasting form of decoration, and next to painting the most desirable."

Morris set up his tapestry looms at his works at Merton Abbey, built from the ruins of a Norman monastery, in an idyllic spot on the banks of the River Wand between Wandsworth and Wimbledon. First he began carpet weaving, believing that tapestry was but a step beyond, working at the looms himself. For Morris always believed in mastering a craft before asking anyone else to do it. Lewis F. Day, in his delightful monograph *The Art of William Morris*, produced for The Easter Art Annual of 1899, recalls that work was no hardship to him, and he did to his workmen always as he would have been done by.

It was characteristic of him that he should have put up a loom in his bedroom at home, and there taught himself tapestry weaving in the early hours of the morning, when the rest of the household were asleep. Morris's tapestries are described as being made on a loom of the warp standing upright in front of the weaver, who has only to hold apart the threads with his left hand while he works his bobbins in and out among them, and so builds up his coloured woollen picture, a sort of embroidery with the shuttle upon stretched threads. The basse lisse or low-warp loom, so contrived that the threads lie horizontally over the cartoon below. Morris held in small respect, "a cheap and relatively mechanical time-saving contrivance, which did a good deal to degrade the noble art of tapestry weaving, and cause it to be neglected."

The qualities sought in the Merton tapestries were "purity

and distinction of silhouette, depth of tone, richness of colour, graduation of tint and abundance of "crisp" details. The figures are arranged in planes close to one another, and the cloth is pretty much filled with them, a manner which gives a peculiar richness to the designs of the first years of the sixteenth century."

In the Lewis F. Day book is a fine reproduction of a coloured drawing by H. Dearle of "The Vision of the Holy Grail," for tapestry executed by Morris and Co. for W. K. D'Arcy, Esq., figures designed by Sir Edward Burne-Jones, 1891. Three from the series of these superlatively beautiful tapestries designed for Mr. D'Arcy, an Australian mining millionaire, for the dining-room of his home Stanmore Hall, near Uxbridge, Middlesex, are in Sotheby's Belgravia's Arts and Crafts sale.

COLLECTING

JUNE FIELD

On Wednesday, at 19, Motcombe Street, S.W.1. The subject of the Holy Grail tapestries illustrates scenes from Malory's *Morte D'Arthur*, and took two years to weave, with as many as three men working at the same loom, with three looms in use at once. The first set was completed in 1894. Three panels were repeated for Laurence Hodson, in 1895-96, and are now in Birmingham City Art Gallery, while the narrative panels were repeated in 1898 for D'Arcy's mining partner, George McCulloch; after that D'Arcy bought the cartoons to prevent any more versions being made. Some years later his widow sold them back to the firm, and a further two subjects were woven in 1927 for H. Seadam of Lymington Castle.

CHESS

LEONARD BARDEN

A PROBLEM of top-level chess in Britain until now has been the scarcity of active international masters and grandmasters.

The Aaronson Masters held at the Imperial Hotel, London, at Easter, should help in overcoming this bottleneck. Seven players—four English, and one each from Wales, New Zealand and the U.S.—scored a master result. Although only one, Robert Bellin, now qualifies for the title, others such as Easman, Law and the British champion Botterill should do so in their next few tournaments.

Leading scores among the 73 players were Franklin (England) and Haik (France) 7½ out of 10, Diesen (U.S.), Hartston (England) and Soos (West Germany) 7, Bailey and Nunn (England) and Ornstein (Sweden) 6½. Several of those with master results scored only lesser lights. Soos expressed a general view when he said that "Short's all-round play is reminiscent of the young Fischer; he could become a grandmaster in three to four

years." The strong entry for both the Aaronson Masters and last autumn's similar Lloyds Bank event show that an "international Swiss system" tournament is welcomed by many experts.

The 1978 Lloyds Bank Masters from August 24/31 at the Cumberland Hotel is likely to take a further important step forward—the intention is to have a grandmaster norm. The Friends of Chess have generously supported all these events whose format, given the rising costs of traditional all-play-all tournaments, may prove the answer to the annual question of how to finance Hastings.

White: P. C. Large. Black: J. M. Ripley. Opening: Sicilian Defence (Aaronson Masters 1978).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, P-P; 4 N-P, N-KB3; 5 N-QB3, N-B3; 6 B-QB4, Q-N3; 7 N-N3, P-K3; 8 O-O, P-QR3; 9 P-QR4, B-K2; 10 P-R5, Q-B2; 11 B-R2, O-O; 12 K-R1, N-Q2 (better B-Q2 and Q-N3 aiming at an eventual P-Q4); 13 P-B4, N-B4; 14 N-XN, R-XN; 15 P-K5! N-XP; 16



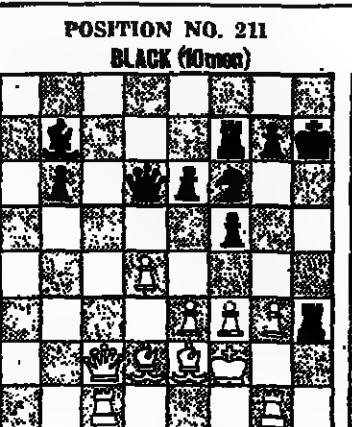
One of the Holy Grail series of tapestries, "The Failure of Sir Gawain," being sold by the Earl Grosvenor at Sotheby's Belgravia on Wednesday. The series was designed by Sir Edward Burne-Jones, and woven by William Morris's firm, Morris & Co., in the 1890s.

The set of 12 D'Arcy tapestries were sold at Sotheby's in 1920 for £4,800 to the Second Duke of Westminster. The three now being sold by the Earl of Grosvenor are estimated to fetch between £15,000-£25,000 each. The Burne-Jones panel *The Heart of the Rose* made £7,400 at Sotheby's in 1972, and such is the interest already shown in these Sainsbury tapestries that Christopher Payne, of Sotheby's Belgravia's furniture department feels that they are unable to commit themselves as to what they will fetch. George Hughes-Hartman of Sotheby's in Bond Street wrote the excellent notes for the catalogue which is well worth having even at £5.

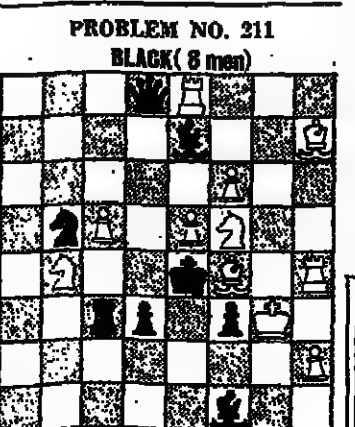
Also on Wednesday's Belgravia sale are some crewel work hangings designed by William Morris and worked by Mrs. Ada Phoebe Godman for Smeaton Manor, while on May 25 Christie's South Kensington are selling some Morris curtains that have been on loan to the William Morris Gallery which already have duplicates of most of the fabrics—Tulip and Web, Brother Rabbit, Rose and Thistle, etc. The curtains were

left to a Mr. D. L. Corbett Price, a nephew of a Miss Lefroy whose parents had their home furnished by Morris in the 1890s. Aficionados of the period should not miss "The Printed Textiles of William Morris" at the Victoria and Albert Museum until July 18. The exhibition, selected from the museum's comprehensive collection of printed cottons, velvets and linens designed by Morris, has been arranged to show not only his qualities as a designer, but also the manufacturing techniques employed in the production of these textiles. It is the first time that the museum's holdings of Morris printed fabrics have been given a separate showing, and the display traces a clear development of style in both colour and line through over 30 examples of his work designed between the late 1860s and 1896. It was not until the 1880s that Morris and Co. were able to print their own fabrics, and the exhibition also shows Morris's early experiments of printing and dyeing with the firms Thomas Clarkson and Wardles of Leek.

B-Q3, R-Q1; 17 N-K4, P-B5; 18 N-B6 ch, P-XN? (natural but fatal); B-XN! 19 B-XP ch, K-B1; 20 Q-R5 is best, when White has a strong attack but no clear win; 19 B-XP ch! K-B2; 20 Q-R5 ch, K-N1; 21 B-Q2! (sacrificing a third piece to safeguard the back rank),



Portisch v. Hubner, Bugojno 1978. Black to move; who has the advantage, and how should the game continue?



White mates in two moves, against any defence (by W. Popp, first prize Schach-Echo 1936). Solutions, Page 13

Old Master records

A painting by van der Neer, the 17th century Dutch artist, of a frozen river, with numerous figures skating and playing golf, sold for a record £190,000 in a sale of Old Master pictures at Christie's yesterday. It was bought by the Swiss dealer, David Koetser, in a sale which totalled £1,843,100.

It was the best spring sale of pictures ever held by the King Street auctioneers. The previous best was in March, 1973, when pictures sold for £1,156,000.

Yesterday's sale also set an auction record for a still life, when Brod, the London dealer, paid £140,000 for a picture of

SALEROOM

ANTONY THORNCROFT

roses, tulips, lilies and other flowers in a basket by Balthus van der Ast. It had been sent for sale by a Swedish client—one of approximately 50 pictures (out of 132) in the sale that had been sent from abroad.

Among a number of fine Italian architectural pictures on offer was an unusual view from the north-west of the Piazza San Marco by Canaletto. It sold anonymously at £90,000. In keen competition from French, German, Belgian, Dutch and Spanish dealers, Brod had to go to £80,000 for a picture of A River Estuary by Salomon van Rosdael.

Sotheby's disposal of the Signet Library in Edinburgh brought in around £500,000, well over half the pre-sale estimate. B. Weinreb paid £10,500 yesterday for the two volumes of Ledoux's Architecture of 1847, with many plates (plus another volume), and Landry gave £7,500 for Emerson and Goodall's Life and Landscape on the Norfolk Broads, with its 40 photographic plates. An Edinburgh buyer acquired Roberts' Egypt and Nubia in three volumes.



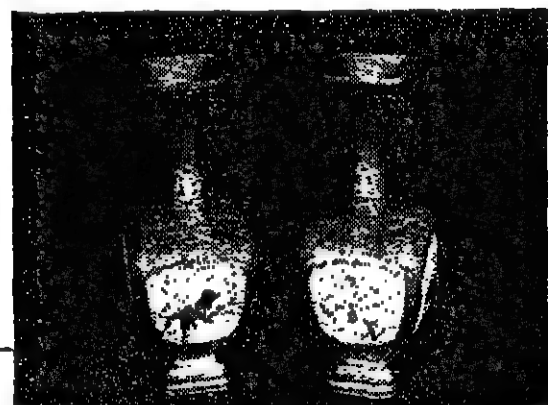
EXPERIENCE AND EXPERTISE



Box-form twin-lens reflex camera by Newman & Guardia. Sale, Wednesday, May 17

The famous Roliflex twin-lens reflex has been with us for fifty years. It is marvellously compact, and one is apt to forget that it is really two cameras linked together; one for viewing and focusing, the other for taking. There have been T.L.R. cameras ever since the 1880's, and in those days of glass plates they were far from compact. In fact by about 1912 they had virtually vanished from the scene, damned by their sheer bulk... they were referred to as 'photographic dinosaurs'. Among the most interesting of that first generation of T.L.R.'s is the one marketed from about 1897 up to 1910 by Newman and Guardia of London, an example of which is to be offered at the Christie's South Kensington sale of Cameras and Scientific Instruments on Wednesday, May 17 at 2 p.m. For further information on this sale, please contact Christopher Proudfoot at Christie's South Kensington, 85 Old Brompton Road, London SW7 3JL. Telephone: (01) 581 2231.

Spencers OF RETFORD



A pair of Japanese lacquer and rhyton vessels. To be sold on April 17th

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THURSDAY 20th APRIL
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THURSDAY 27th APRIL
Oriental works of art, porcelain, lacquerwork, ivories and furniture—Retford Salerooms.

WEDNESDAY 3rd MAY
Victorian and later furniture—Retford Salerooms.

THURSDAY 4th MAY
European pottery, porcelain and glass—Retford Salerooms.

THURSDAY 11th MAY
Oil paintings, watercolours and prints including a study of donkeys by William Huggins—Retford Salerooms.

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FINANCIAL TIMES

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Saturday April 15 1978

A financing problem

THE NERVOUS reaction of the City to the Budget has been due less to its fiscal proposals than to its monetary implications. It was disappointing that Mr. Healey did not raise indirect taxes to increase his scope for cutting direct taxes, and that, within the limited sum at his disposal, he made no change in the standard rate or in the higher rates of tax.

It is worrying, too, that most of the contingency reserve for 1978-79 has been committed in advance on new public expenditure. But this is no exaggerated pre-election boost to the economy. The official estimate is that it will raise the rate of economic growth from 2.2 to 3 per cent—an improvement on last year, no doubt, but one scarcely large enough to have much impact on the level of unemployment.

Trade outlook

The fact is that the outlook for world trade has worsened so greatly and our own propensity to import apparently increased so much (the official forecast of this year's balance of payment surplus has been halved) that the Chancellor could not afford to be more expansionary, whatever the complaints of the CBI, the TUC and the Liberals.

The Liberals, by the way, having got what they wanted in the way of concessions to small business and tax relief on profit-sharing schemes, seem more likely to amend various clauses in the Finance Bill than to oppose the Budget as a whole. If their amendments look like costing money, the Chancellor could well threaten to offset their effect by proposing higher national insurance contributions from employers—an idea which the Liberals themselves suggested, but now recognise to be wrongheaded.

The result of the present proposals is a public sector borrowing requirement for 1978-79 of £8.4bn, which is at the top end of the range of expectations. Although the City is happy enough with a slightly lower target for the growth of the money supply, therefore, it is not at all confident about the Chancellor's ability to hit it. The last monthly figure was good, but it looks as if he will just fall to his target for the year just ended, when conditions for selling gilt-edged were comparatively favourable.

It is true that the huge influx of foreign exchange, which was largely responsible for the money supply getting out of control last year, is most unlikely to be repeated. But this is also true of the special factors which made the final bor-

rowing requirement so much less than the original estimate, and industry will be borrowing more from the banks. The Chancellor estimates that he will have to sell about the same amount of gilt-edged stock to the public this year as last, and that will not be easy. Moreover, despite the prompt refusal of the TUC to co-operate in any formal pay policy, he is aiming to keep the rise in average earnings in the pay round beginning next summer to about half the figure for the present—that is, to about 7 per cent.

It was no doubt because he recognised that the City would be sceptical on both these points that he announced a rise in MLR to take place immediately. A rise brought about by the operation of market forces on Friday, the probable alternative, would have looked too like a vote of no confidence.

The gilt-edged market fell on Wednesday, taking equities sharply on the following day, when Mr. Healey (in private) and the Chief Financial Secretary to the Treasury (in public) gave the impression that the Government might be contemplating more tax cuts in a summer mini-Budget. This was promptly denied by the Prime Minister.

Even if the leading industrialised countries do agree in July on measures to support a revival in world trade and output, the effect on the U.K. balance of payments will be felt only gradually, while the success or failure of the attempt to hold down average earnings will not be apparent until the spring of next year.

A relapse

The lack of scope for further action was emphasised yesterday by the publication of the March trade figures, which show a relapse into sizeable balance of payments deficit. The figures have been fluctuating wildly from one month to the next, but the fact remains that the balance will have to be held in surplus for the next three months to bear out the official forecast for the first half of 1978 published with the Budget.

All in all, the financial markets seem likely to be much occupied over the next few months watching the trade figures, the money supply figures, the course of wage negotiations, and the state of foreign exchange markets—not to mention the run-up to the election. Short-term interest rates may well have to rise further. The gilt-edged market will probably remain uneasy in any case, and the equity market in general takes its cue from gilt.

The odd ministerial alliance which helps small firms

BY JOHN ELLIOTT, Industrial Editor

ONE of the more unlikely ministerial alliances to have sprung from the Government's parliamentary and political problems during the past year is the two-man team whose work lay behind this week's Budget measures for small firms.

One of the men is a wealthy Labour MP, the son of a former small trader in the Manchester textiles business, who has made his own name in the financial and business world. This is Mr. Harold Lever, Chancellor of the Duchy of Lancaster, who last September was appointed by the Prime Minister to co-ordinate and boost the Government's small firms policies. The other is a relatively young and committed Tribune MP from Yorkshire who was coaxed into the Government as part of the Prime Minister's attempts to live with his more raucous left-wingers. He is Mr. Bob Cryer, the Department of Industry's junior Minister responsible for small firms.

The philosophical differences between the two men illustrate all the contradictions that are inherent in a Labour Government attempt to woo the entrepreneur and the self-employed man to encourage the individualist rather than the State corporation, and to breathe new life into a sector of industry that has often little to do with trade unions. Indeed such aims are more akin to the Conservative and Liberal Parties than Labour, and in launching Mr. Lever into his new role Mr. Callaghan was both stealing some Tory clothes and placating the Liberals.

The Liberals describe "positive discrimination in favour of small business" as a "cornerstone of the agreement between the Government and the Liberal Party."

Small firms are generally regarded as those employing up to 200 people, although Mr. Lever takes a wider view that ranges from manufacturing companies employing 200-300 down to the one-man shopkeeper and the self-employed plumber. The Government reckons that there are about 1m. small firms in Britain employing over 6m. people—about a quarter of the nation's workforce.

That such businesses are declining is not in doubt. High taxation, lack of fresh finance, and the frustrations and high administrative costs involved in coping with Government's legislative, statistical, and other requirements have killed off many. The demolition of small premises in inner cities has swept others away. These factors have also fuelled the entrepreneurial drive that creates new privately-owned small firms, and the only alternative form of small enterprise so far devised—the workers' co-operative—is still in its fairly insignificant infancy.

Yet to judge by all the

interest in small firms shown by political parties and various pressure groups during the past year or so, it might appear that these problems have only just developed. Not only has the Lever exercise been launched, but the Conservative Party has set up a "small business bureau" at its Smith Square headquarters in London, and has produced its own policy pamphlet called "Small business—big future." The CBI has also set up a new small firms directorate and produced its own "Smaller firms in the Eighties" policy in an attempt to show it is not just the voice of big business. Chambers of Commerce have jumped on the bandwagon, and some new organisations have emerged such as the Union of Independent Companies.

But the problem is not new, a point that even the last Labour Government realised when it set up the Bolton Committee to study the problem in 1968. This Committee reported in 1971 to the then Conservative Government. The Conservatives implemented several of its tax and other proposals, including the creation both of a small firms division in the Department of Industry and of the ministerial post that Mr. Cryer now holds.

What is new however is a growing rejection of the

nationalised corporations and the large private sector companies will have little need of extra labour in the coming years and that (whatever left-wingers and union leaders may believe) there must be a limit to the expansion of employment in non-productive public services.

The Prime Minister therefore decided last summer to seize on small businesses as the area which might help the unemployment problem. Both he and Mr. Lever have been heard to remark how good it would be if each of the country's 1m. small businesses employed just one more man and so reduced unemployment to the more politically acceptable levels of the 1960s.

So small businesses are now seen as the primary—if not the only—hope for a reduction in unemployment. At the same time it is politically astute, in the run up to an election, for a Labour Government to demonstrate its concern for the "small man" and, of course, the subject is part of the Lib-Lab pact.

Mr. Callaghan is also worried about the problem of inner city blight, which the re-emergence of small businesses could help to reduce. And, on top of all this, there is the potential bonus that a few entrepreneurs and innovators might emerge to develop businesses and techniques which will be big names

THE LEVER PACKAGES SO FAR

Income tax relief improved for losses on new businesses
Small companies' corporation tax profit limits and exemption levels raised
Thresholds for capital transfer tax relief raised
Limits for relief from capital gains tax raised
VAT registration level up to £10,000
VAT form filling reduced
Other Government form filling requirements being cut
Government subsidy for employment in small firms extended
Government counselling service for small firms expanded
State aid for certain collaboration projects extended
State funds to help entry into new export markets
Local authorities helping with inter-city developments
State aid for rural industries increased
Special help for farmers and small hotels

Many of these items apply to all companies, but have been introduced because they will be of special benefit to small firms.

assumptions of the 1960s about the virtues and value of big corporations, "large factories" and the rationalisation aimed for by "company mergers." Too few of the vast companies and industrial complexes created in the name of big business have been successful. At the same time changing social values and educational standards have increased alienation from work in the anonymity of large factories.

But such thoughts might have been limited to a few "small but beautiful" enthusiasts, and others such as behavioural scientists, were politicians and others not now coming to terms with the fact that some drastic action is needed if Britain's current level of 11m. people unemployed is to be reduced. Ministers fear that the big



Mr. Harold Lever, the son of a small textile trader, who became Chancellor of the Duchy of Lancaster and head of the Government's programme to help small businesses.

rent problems, like complex taxation, social insurance, and employment legislation were not there to bother his father, he could still see himself backing a small business if he were not restricted by ministerial responsibilities.

Indeed as he said when discussing the small firms measures in the Budget earlier this week, he helped Baron the photographer with a £1,000 loan some years ago and would now like



Mr. Bob Cryer, the Left-wing junior minister at the Department of Industry

to be free to give financial backing and some expert financial and managerial advice to two young textile designers who are the daughters of family friends. Like other people concerned with small firms, Mr. Lever sees a major role for this sort of "Aunt Maud or Uncle George or the local garage proprietor with cash to spare." He talks in terms of the "rich man in Cheltenham with nephews needing help" as the typical small investor he wants to encourage. "It involves family and friendly relationships and people with local knowledge," he says.

It is no accident that this sounds very different from the more commonly heard ideas for persuading institutions to provide the cash needs of the small firm. Mr. Lever believes that it is not realistic to expect institu-

tions to do for 1m. small firms what they do for large companies. He therefore wants to, and ways of encouraging small investors to provide the risk capital for small firms in the hope that local clearing bank branches (the banks have promised to be more alert to local business needs) will follow with loan capital. Such arrangements may also help to get round the problem that small businessmen are loath to accept that those who lend them money should have the right to interfere in the management of the business.

But the problem is to find the people with such inclination to spare. Years of steeply progressive taxation and taxes such as the CGT have reduced the ability and incentive for people to save, or invest in their own or other people's potentially risky new companies, or to transfer the ownership of small businesses. Now efforts have been made to help with modifications to capital transfer and capital gains taxes plus some changes to corporation and value added tax. But the level of income tax—and the prospect of a

wealth tax—makes it difficult to accumulate the few extra thousands of pounds that Mr. Lever's investment would need. And it is even more unlikely that Labour ministers would sanction income tax company "that would be exempt from the sort required to from many of the administrative and legislative burdens imposed by the Government."

Apart from tax levels, Mr. Lever has also eased the burden of statutory form-filling as required of businessmen. The amount of details needed on VAT forms is being halved and the Central Statistical Office has also been persuaded to do some detailed work on how other returns could be reduced.

But there is no prospect of employment legislation being eased for small businessmen, salvation for the unemployed partly because of trade union and for Britain's economic and opposition to the idea and partly industrial problems.

Letters to the Editor

Brokers

From Mr. D. Ogden.

Sir,—During the "negotiations" between the Life Offices Association and the broker organisations, on the new commission structure, the fear that the inevitable reduction in non-profit business would adversely affect the company bonus declarations was voiced many times; to be summarily dismissed by the LOA. It may well be coincidental that exactly what was foreseen by most life brokers appears to be happening, although much earlier than expected.

I am sure that many brokers take my own cynical view that the recent spate of interviews with spokesmen of the established profit offices is no more than a well orchestrated smoke-screen, designed to hide the principal culprit: severe imbalance between participating and non-participating contracts.

I submit that the problem lies with the insurance companies who themselves leapfrog one another in order to appear competitive. It is indeed galling to find oneself tarred with someone else's brush, when all that we are doing is to use the illustrations of the companies that we favour. The prime responsibility must rest with the companies and their actuaries, but as in other instances the LOA and the Associated Scottish Life Offices decline to put their own house in order, while deprecating the actions of those of us who act upon information supplied by their members.

The British insurance broker has been bred on the strength of the reversionary system and the enormous reserve that supposedly underwrote it. If much of this has been dissipated by terminal bonus then it is a pity that the established profit offices did not have the courage of their convictions and decline to be drawn into a quotation battle with the unit linked movement. They would have better served the public interest by holding fast to the basic principles that built a life assurance industry rather than pander to unjustified

criticism from the consumer protection lobby.

David M. Ogden
Ogden Blagden Northam and Partners
4, Doury Square,
Bristol.

Earthly

From Andrew Hertz.

Sir,—Mr. Eric Short, on "Self-Employed savings," (April 8) says that "there must have been divine intervention for a Labour Government to give money back to the self-employed." Since we all know that the Liberals were responsible for the lowering of national insurance contributions for the self-employed last year, are we to conclude that Mr. Short believes that the Lib-Lab pact was a marriage made in heaven?

Andrew Hertz
Parliamentary Assistant in the Liberal Whip's Office
House of Commons, S.W.1.

Telephones

From Mr. L. Calveit.

Sir,—I read with interest Mr. Jasper's letter (April 8) regarding the delays of post from London Heathrow Airport.

While sympathising, this is nothing as to the problems of telephoning from Heathrow. As one of the largest international airports in the world, it would be expected that travellers would have need of a simple and efficient method of making international telephone calls, especially to indicate travelling times or business matters. The Post Office can presumably put me up to date as to the present situation but (as it was a short while ago when I wrote to it on the matter) we have three different systems—one for each terminal.

Terminal 1 has just telephones taking 2p and 10p pieces—an interesting exercise if you can get enough change and can manage to get the money in in sufficient quantity before you talk. In Terminal 2 we have a gentleman who will take your number and will put you through via the operator. Apart from having to pay in advance for a call whose length you may not know, you also have to pay at the operator's rate. Moreover, said gentleman is not always there, which can be annoying if you

have had to walk with your luggage through the present building upheavals from Terminal 1. Terminal 3, I understand, only has coin machines but these will take up to 50p; don't try walking there from Terminal 1 because these machines are marked for use outside Europe.

Apart from the difficulties of getting the right currency left alone the right change, especially if this can only be done by purchasing an article in a shop if one happens to be open, the foreigner in particular has the problem of coping with an unfamiliar piece of equipment which can readily swallow his money without return. As for making an international call, can anyone tell me anywhere in London where one can go without using a private phone? At Trafalgar Square, they refused a call from me on the counter while the 50p phones state that they are for non-European use only.

In past correspondence, Heathrow has stated that it has not succeeded in getting any improvement out of the Post Office, while at the Post Office they seem to believe that the system is perfectly adequate.

L. G. Calveit.
330 Knightsfield,
Welwyn Garden City, Herts.

Perhaps a start could be made in this direction by the Scottish bakers in conjunction with British Rail? Why not an overnight "baking train" from Glasgow or Edinburgh to, say, Euston or Kings Cross? The trouble is that train robbers have failed. As the Labour Party consultative document says: "We now control only one of the 38 English shire counties. Even in a good year (1973), we only controlled seven. Would it not be better to have, for example, Southampton or Portsmouth under a Labour (district) education authority rather than at present under a county authority which we are unlikely to win." The inference is that the position would not be seeking any change, minor or major—short or long term. On this reasonable assumption, the question can and should be asked whether they are thinking more of their own political position, regardless of the democratic wishes of the people, than the provision of an effective and economic service to the community?

If this does not alarm Michael Calfin, then perhaps I can draw his attention to another paragraph in the consultative document: "The principal point, however, is that under a new system of regions and multi-purpose districts—whether or not the regions are Labour controlled—the shire counties will disappear and the personal services—education, social services and possibly health—would be under Labour control. In the new districts much more regularly than they are under the present system."

To my mind, it is amazing that the Association of District Councils and some of their constituent members are advocating on somewhat similar lines when the reduction of the present number of district councils by almost half, with their annexation to potentially Labour strongholds. In this respect, they seem to wish to be the architects of their own demise.

Apart from the serious and far-reaching political considerations, any validity in the claim of remoteness between present districts and county authorities would widen to a virtual abyss the proposals for regional authorities and local government.

The Socialist "regional consultative document"

From the Leader of Southampton City Council.

Sir,—The letters written to you by Mr. Roland Freeman have now generated replies putting the point of view of the county council. I write in my capacity as leader of the Southampton city council (one of the 10 largest non-metropolitan districts) and as a member of Hampshire County Council. I will probably surprise Mr. Michael Calfin (March 31) to know that I do not support him. The object of this letter is not to reply to the arguments and counter-arguments already submitted but to expose the fact that the currently suggested transfer of education and social services to the nine larger former county borough authorities and the longer term proposals for major reform should be seen as a move for political power and purposes to serve Socialist ends, and not for the true benefit of the community. The Socialist consultative document "regional

authorities and local government reform" indicates very clearly that the minor change now advocated is only a beginning.

Under Socialist doctrine, county councils would be eliminated for purely political purposes and not because they have failed. As the Labour Party consultative document says: "We now control only one of the 38 English shire counties. Even in a good year (1973), we only controlled seven. Would it not be better to have, for example, Southampton or Portsmouth under a Labour (district) education authority rather than at present under a county authority which we are unlikely to win."

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ment reform, as envisaged in the Labour Party's consultative document, were implemented Local government should wake up and be warned not to be blind to the purpose behind what is suggested otherwise they will wake up to the real consequences when it is too late.

My authority in Southampton wants no part of it and has said so. Regrettably and surprisingly, it stands almost alone in opposing the prospect of a political take-over.

Norman A. Best,
Members' Room,
The Castle,
Winchester, Hants.

Priorities

From the chairman, Finance Sub-Committee, Cambridgehire County Council.

Sir,—The national Press, in reporting the most leaky pre-Budget discussions in living memory, warned those of us with financial responsibility in local government of one Minister's "decision" to unilaterally now turn out by the Budget. I refer to the cancellation of the expected rise in school meal prices.

In my county the treasurer's proposals, taking into account estimated take-up of school meals, pose a price rise and estimated trends in school meals take-up generally, that the cost to the county council through loss of income will be £235,000.

I am appalled that money from whatever source is to be poured into a peripheral part of the education service. If my rate-payers are to pick up the bill, the sum quoted is equivalent to nearly a 10p extra on our already astronomical rates. If the county council is to be reimbursed in whole or in part, through the rate support grant, this still indicates illogical and unfair national priorities. We are already spending twice as much cash on subsidised school meals than on capitalisation—books, paper and pencils—the tools without which education cannot function. I do so wish that even in an Election run-up period, our Whitehall masters could eschew blatant vote-catching and have the courage to make decisions helpful to the public services rather than the reverse.



"They gave me back my home, my friends, my whole way of life"

When one has known a certain way of life, and rising costs look like taking it all away, who is there for people like us to turn to?

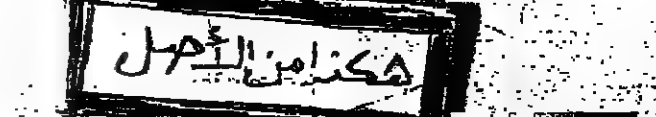
There is the Distressed Gentlefolk's Aid Association. The DGAA is run by people who understand. They know that we want to stay in our own homes, surrounded by our possessions, and close to the friends of a lifetime. So, they help us with allowances and with clothing parcels. Only when we can no longer cope do the DGAA see if they can offer us a place in one of their 23 Residential and Nursing Homes.

The more you can help the DGAA, the more the DGAA can do to help others. Donations are needed urgently. And please, do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

VICARAGE GATE HOUSE, VICARAGE GATE, KENSINGTON LONDON W8 4AQ

"Help them grow old with dignity"



Video battle to win a place in your home

BY MAX WILKINSON

THE HOME video tape recorder, which was regarded until recently as an expensive gimmick by many people, is suddenly being hailed as a revolution in home entertainment and a possible salvation for the fortunes of the television industry.

In the next few months we can, therefore, expect a barrage of advertising to explain why we all need to spend £700 or more on a machine which can record in colour all our favourite TV programmes, and family disputes about which channel to watch and form the basis of a home television studio.

Scenarios who say that £700 is a lot of money to pay for a machine that is not really necessary will be told that the colour television set was originally rather expensive and not strictly necessary.

It is obvious that for some people the video recorder will be a tremendous potential asset. Shift workers, for example, who always miss the peak viewing schedules, will be able to have programmes of their choice recorded while they are at work. Open University students will no longer have to get up with the first dawn to watch their course programmes.

Viewers with other special interests may also find a use for the video-recorder. For example sports fans may wish to record a match so that they can repeat the exhilarating moments of a winning goal or brood over their team's inept defence. In Japan, where video recorders have been selling in volume for more than two years, many people with such interests have been found.

But the question remains whether the machines will become mass consumer items of comparable social and commercial importance to the television set itself.

Although the major Japanese manufacturers are immensely enthusiastic about the prospects, a note of caution is sounded by the Fuji Bank of Tokyo in a recent appraisal. It points out that although video recorders were relatively cheaper in 1976 than colour television sets were in 1969, recorders had been purchased by only 1 per cent of Japanese households. This compared with a penetration of 26 per cent for colour television in 1969. The bank concludes: "A sharp increase in the diffusion rate of video tape recorders can hardly be expected."

U.S. sales

On the other hand, sales in the U.S. are booming. Last year, it is estimated 300,000 units were sold with a prospect of sales increasing to perhaps 400,000 or even 600,000 in 1978. Some estimates put the U.S. market as high as 1.5m. by 1978 and 2m. by 1980.

The Japanese market is estimated at 300,000 units last year and 550,000 units in 1978. In Europe the market is expected to increase more slowly from about 100,000 units last year to 225,000 this year. Sales in the U.K. have so far been rather low, but the existence of large efficient rental chains makes the U.K. an important target for the manufacturers.

Sony, which launched its Betamax video recorder in the U.K. this week, is much more optimistic. Mr. Akio Morita, the chairman, is hoping that one in ten Japanese households will have bought a machine in three years' time. And he expects after the one or two-year promotional period, to see the emergence of a real volume market. In the current year

Sony is hoping to sell 500,000 of its Betamax machines throughout the world.

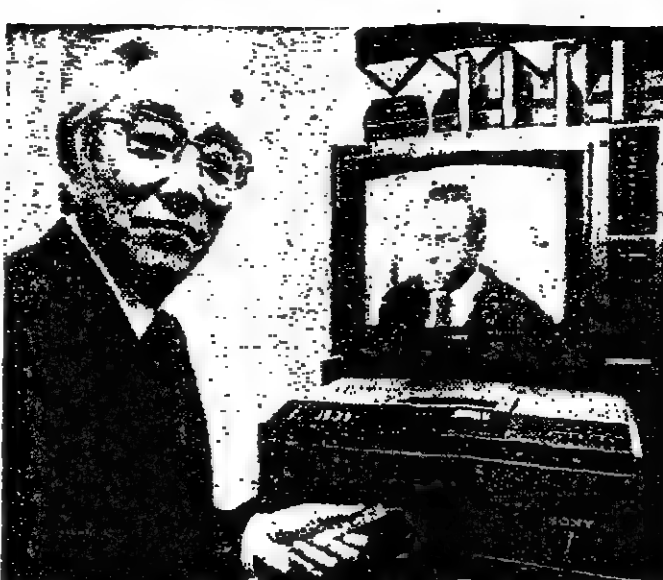
Those who are convinced of the need to record television programmes have a choice of three main systems. Sony's Betamax and its rival Video Home System (VHS) developed by Victor, both Japanese, and one from Philips of Holland. All three systems are incompatible, which means tape recordings made on one brand cannot be replayed on another.

Philips, which was the first company to market a machine in Europe, now risks being overtaken by Japanese models which offer longer playing times and cheaper tape costs. Philips introduced its first consumer model, the N1500 in 1974, at the low price of £289 plus VAT, although the machine had been available mainly for educational use in 1972.

The Philips machine was a remarkable technological achievement, because the recording of a television picture requires about 100 times as much storage capacity as that for ordinary sound recording.

The very first video recorders developed in the U.S. tried to store this large amount of information by using huge spools of tape run at a very high speed. All the main consumer models are therefore based on a different principle developed by Ampex of the U.S. in 1956 for professional use. The basic idea is that the tape is run through the machine at a slow speed at an oblique angle to a drum on which the recording and playback heads are mounted. The heads revolve at a very high speed of about 1,500 revolutions per minute to record successive stripes diagonally across the tape.

A mechanism of this sort can only work if it is machined and



Mr. Akio Morita, chairman of Sony, with his company's new Betamax video recorder.

assembled to extremely accurate tolerances. It must also include complicated automatic methods for looping the tape round the recording head drum, since consumers' clumsy fingers would quickly put the machine out of alignment.

The fact that video recorders require the development of mass produced precision engineering is undoubtedly one of the reasons for the Japanese success in the field compared with American companies. No home-produced design is currently marketed in the U.S., and most of the major U.S. television set making companies have been forced to make licensing agreements with Japanese competitors.

The Zenith corporation, one of the leading U.S. TV set makers, has an agreement with Sony for the marketing and eventual production of the Betamax machine, while RCA, one of the first com-

panies to develop a professional video tape recorder, is a licensee for the rival VHS. Even Philips, through its subsidiary Magnavox has taken a licence for the VHS recorder in the U.S.

Similar licensing agreements are now being concluded in Europe by the major set making companies. Grundig in Germany is now completing a new factory to make recorders on the Philips system. Thomson-Brandt in France and its associate Norddeutsche of Germany have concluded agreements with Victor. In the U.K. active discussions are now going on in all set making companies about which system to adopt.

In Japan, four completely separate systems have been developed, but only the Betamax and the VHS now appear to have a chance of widespread adoption. The main electronics

companies have therefore lined up behind the two systems. Sony, Toshiba and Pioneer will market the Beta format, while National, Akai and Matsushita are committed to the VHS.

The scene is therefore set for a worldwide battle for supremacy, because it is important for each group to gain acceptance for its own system as an international standard. In the long run it is likely that the public demand for interchangeability of tapes will mean that only one system survives, as happened with audio cassette recorders.

Reliability and servicing will be one of the key selling points because the present generation of video recorders is inherently much less reliable than a television set or an ordinary sound tape recorder. This is because it includes complicated mechanisms and fast spinning parts, which must inevitably become worn after a time.

The importance of servicing may give Philips an advantage in Europe, because it already has an extensive network of Japanese manufacturers, on the other hand have tended to sell television and audio equipment on the assumption that if they are made carefully enough, they will hardly ever go wrong.

Philips is, however, at a disadvantage when it comes to the other battle ground, tape costs and playing times. The latest Philips recorder, the N1700 can give two and a half hours recording per tape. This is similar to the basic Betamax and VHS performance, but the Betamax can take an extended play tape of up to 3 hours 15 minutes while the VHS has a double play version capable of giving four hours continuous recording. The cost of tape for the Philips machine is currently £6 to £7 per hour compared with £4.15

per hour from the Sony long play tape. Philips believes that the heavier consumption of tape on its machine is offset by better picture definition, but even if its claim is true, it may not carry enough weight in the mass market.

Philips probably realises that, having lost initiative in the U.S. (where 250,000 Japanese machines were sold last year) and having no foothold in Japan, it has little hope of seeing its present generation of machines becoming a world standard.

On the other hand the Betamax and the VHS may also become obsolete in a few years' time if a basically simpler method of recording colour pictures can be devised.

Simpler machine

Philips has therefore tripled its efforts to develop a simpler machine less dependent on mechanical complexity, while at the same time trying to extend the playing time and reduce tape costs of its present machine. This effort is almost certainly being matched in Japan, so that the coming struggle for the hearts and purses of television viewers may only prove to be a preliminary skirmish.

This possibility is reinforced by the fact that cheap, compact colour television cameras for home use are not likely to be available in quantity for several years.

Such cameras could be a direct challenge to the cine-camera, because the tape produced could be played back immediately through the television set and could be erased for future use and easily edited. This development could give an

extra boost to the video-recorder market, but it will have to await the mass production of solid-state (integrated circuit) sensors which will convert the optical image into electrical pulses. Several important technical problems have yet to be solved before such devices can become a consumer item. In the meantime video-recorder technology may have a chance to mature into the next generation.

Philips, at any rate is determined not to be outflanked in the marketing of the next instalment in the video revolution, the video-disc player. This machine is similar to a record turntable, with the difference that its output is a television picture rather than pure sound. The Philips machine uses a laser beam and a plastic disc and is expected to provide about half an hour's television programme per side. The Philips system will be marketed in the U.S. this year.

It is a more advanced system than a rival developed by RCA, which uses a conventional stylus and is likely to be somewhat cheaper.

Both systems, plus any which come from Japan will compete head on with video recorders for the attention of consumers, although some experts believe both may eventually become as standard items in the average home as the turntable and audio cassette recorder now are.

The major question still to be resolved is what use consumers will wish to make of the new machines. Will their priority be to record live television like sports or old movies, operas, instructional programmes for which the video disc recorder at half the price could be an important challenger.

Weekend Brief

SNP scotched

Until the early hours of yesterday morning Donald Dewar had an undeserved reputation as a croser in Labour party circles in Scotland. But since the size of his victory over the Nationalist candidate in the Glasgow City election became known, he has replaced the scent of allure with the aura of success.

The Labour Party north of the border badly needed a boost to its morale. Several times since the October 1974 general election it has held up its hand to the nationalist machine and said: "so far and no further." Only to be chastised as the "cleaner" of the time. Mr. Callaghan is to be left any choice at all in when he goes to the country, Dewar has at least managed to stop the advance and given the signal for the push back to begin.

Although he was stressing yesterday that the achievement of Glasgow was the result of team effort, Dewar's part in the campaign was crucial. His insistence that he would fight on a tuborn defence of the government's record and an attack on independence, forced Labour to meet the Scottish National Party head on.

Dewar, 40, has been involved in Labour politics since his days as a student at Glasgow University, where he was numbered among the contemporaries of John Smith, now minister of state at the City Council office, and Dr. McKinnon. Mr. Benn's under two at the Department of Education. Student debating won the Observer magazine, also taught him the formidable skill at public speaking which he has used to effect both inside and outside the party and out.

He captured the Tory stronghold of Aberdeen South in 1966 and made a name for himself in Parliament as an able thinker and a hard worker. But when the national swing against Labour put him out of the commons in 1970, he entered a period in the wilderness which could have blighted his political career.

Several times he failed in attempts to secure nomination for other constituencies, largely as a result of his support for right-wing policies, especially Britain's entry into the European Community. He gave up searching for a new Parliamentary seat and contented himself with looking forward to the re-election of a devoted Scottish assembly and working within the party as a member of its Scottish executive.

His break came in January when, after the death of the sitting Labour MP for Glasgow, Dewar was urged by influential members of the party to try again for a nomination. As the first Scottish by-election for four years, it was obviously going to be a campaign conducted in the public eye. Dewar's experience as an MP and as an accom-



Dewar: Bouncing back

is no automatic transfer to current account to cover an unusually hefty cheque. So your cheque can bounce despite your £1,000 in savings.

Another shock is the discovery that banks do not do standing orders. It is up to you to remember monthly payments for rent, life insurance and subscriptions. If you don't remember, that's another black mark.

In fact the only routine service offered by the retail banks is cheque clearing, and that takes four working days even if both banks concerned are in Manhattan.

It makes British High Street banking feel positively pampering. But it's explained here on two grounds. One is that it has always been so, to some extent, because of tough laws controlling banking. The other is the strong, and probably justified, fear of deceit.

There is one thing, though, that New York banks have over the British, and it's brand new—electronic banking. Citibank, the city's largest bank, has just invested millions in a computer operation which allows customers to pay in or take out money, or transfer funds, 24 hours a day at several terminals outside bank branches.

Each customer gets a plastic card, like a credit card, which he slots into a terminal and punches out a six digit identification code on a set of keys beside it. At TV terminal lights up and asks what service he wants. If he intends to pay in money, he presses the button indicated saying how much he wants to pay into which account. A slot then opens up in the wall at the back of the terminal, he inserts the money and a few seconds later gets a printed receipt.

If he wants to withdraw money, he goes through a similar preliminary procedure, tells the machine how much money he wants, waits while the terminal consults his account, and if all is well, receives the cash via a revolving steel drum, also set in the wall.

It's all very simple—and entertaining too because the machine chats in conversational English, using phrases like "Hold on, I'm working on it" or "It didn't work that time, would you like me to try again?"

Since the system has only just started, the banks are crowded with curious customers trying out the unfamiliar machines. But Citibank is confident the system will spread. One of its advertising claims is that it enables customers to keep money in a savings account and only transfer it to current account when it is needed, thus earning additional interest. But coming to think of it, haven't British banks offered that service for years?

Clock watchers

As you drive into London on the raised section of the M4 Motorway it is impossible not to notice the bright blue Martini clock tower on the left. If you have been concentrating on the scenery rather than the road, you will have noticed that the old blue tower lost its Martini signs 18 months ago, and that estate agents Jones Lang Woot-

ton, had plastered the building with "For Sale" notices. Now, the agents boards are coming off and M4 drivers will have to get used to Fiat signs over a hopefully reowned, clock.

No fewer than 12 industrial property developers viewed the site before Fiat stepped in with a near £600,000 offer. The developers had less interest in Martini's rather ostentatious 74,000 square feet former bottling plant than in the redevelopment potential of the 2 acre site, which faces onto the Great West Road in Brentford.

Fiat has yet to detail its plans for the buildings. But it seems certain to keep the blue tower suitably redecorated.

Underground overspend

Sewage, by and large, is a subject that is expected to remain out of sight and out of mind. But there is a sewer in Chicago which is attracting nationwide attention; indeed it is a sewer that is likely to be a lesson to environmentalists and civic authorities the world over. Officially called The Tunnel and Reservoir Project (TARP), but known as the Deep Tunnel, the scheme is the answer of the Chicago Metropolitan Sanitary District to solving the problem of sewage pollution of Chicago's river system and flooding of residential and commercial basements. It is also intended to meet the Federal Government's requirement that all waterways be made "swimmable and fishable" by 1985.

Started in 1972 after five years of research, its cost was then estimated at \$2.6m. The full scheme, in two stages, calls for the cutting of 132 miles of tunnels 200 feet under the city to connect surrounding urban sewage systems to three underground treatment plants. So far, 46 miles of tunnels and several pumping stations are under construction at a cost of \$710m. Another \$10m worth of work is at various stages of planning or construction.

At this late stage, the project is not only coming under heavy criticism from civic groups disenchanted with the Sanitary District's traditionally grandiose methods of tackling its problems, but is faced with a withdrawal of Federal funds.

This could leave Chicago with some large, useless and dangerous holes in the ground under its high rise buildings. Civic authorities in industrial cities throughout America, many of them with worse pollution and flood control problems than those of Chicago, are following the course of the Deep Tunnel controversy with the keenest of interest. If the project is halted some say Chicago's flood problems may be worse than ever. But if not then other cities will want Federal cash for their own schemes. Meanwhile nerves are taut in some lofty Chicago apartments—many blocks are built on floating raft foundations.

Contributors: Ray Perman, David Lascelles, John Brennan and John Leach.

Economic Diary

TO-DAY—Sir Keith Joseph, MP addresses Conservative Medical Society meeting, 1, Wimpole Street, W.1. Birmingham Chamber of Commerce trade mission leaves for USSR.

MONDAY—Mr. Harold Brown, U.S. Defence Minister, meets Mr. James Callaghan, Prime Minister, at the White House, Washington. Mr. Callaghan, U.S. Secretary of State, meets Mr. Harold Brown, U.S. Defence Minister, at the White House, Washington.

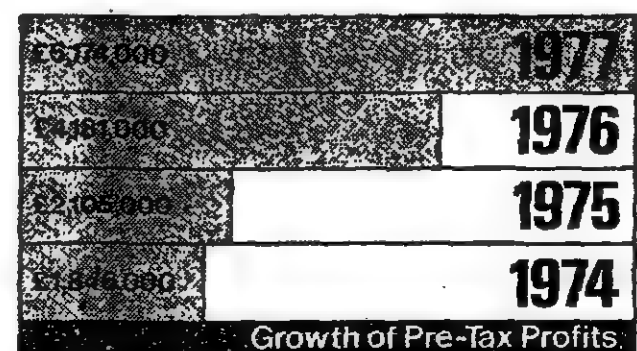
TUESDAY—Mr. Denis Healey, Chancellor of the Exchequer, at the meeting, Clapham, S.W.4. National Union of Journalists conference opens, Whitby Bay. WEDNESDAY—Dr. David Owen, Foreign Secretary, and Mr. Cyrus Vance, U.S. Secretary of State, at Central Treaty Organisation headquarters, Tufton Street, London. Mr. John Greenborough, president of CBI, is guest speaker at American Chamber of Commerce luncheon, Savoy Hotel, W.C.2. House of Commons debates the National Health Service. New sector (fourth quarter).

Cyclical indicators for the U.K. economy (March). Mr. Peter Shore, Environment Secretary, speaks at National Council for Building Materials Producers luncheon, Savoy Hotel, W.C.2. Mr. Harold Levy, Chancellor of the Duchy of Lancaster, addresses Small Business Association luncheon, Waldorf Hotel, W.C.2.

THURSDAY—Lambeth Central by-election. Building workers' pay talks resume, Savoy Hotel, W.C.2. House of Commons debates the National Health Service. New sector (fourth quarter).

construction orders (February). Consumers' expenditure (first quarter preliminary). National Coal Board annual report. National Farmers Union council meets. FRIDAY—Welsh TUC conference opens, Llandudno. NALGO water authority workers meet on pay claim. Friends House, Euston Road, N.W.1. Opening of London's new market in traded share options. New vehicle registration (March). Sales and orders in the engineering industries (January). Financial accounts of industrial and commercial companies and personal sectors (fourth quarter). New acquisition of financial assets—analysis by sector (fourth quarter).

Managed Growth -1977 forecast fulfilled J. Bibby & Sons Limited



Hundredth Year Highlights

● All divisions contributed to the greatly improved result, the most substantial percentage increases coming from the Edible Oils Division and the Paper and Converted Products Division. The Feeds and Seeds Division's results were also significantly better than last year despite difficult trading conditions. The improvement in the Farm Products Division reflected mainly the acquisition of the Broad Acres group of companies at the end of 1976.

● Two subsidiary companies, Norfolk Newlay Egg Co Ltd and N Reich Ltd, with properties used by them, were sold for some £2,000,000 in cash including loan repayments. This cash and the settlement of a disputed claim, amounting to £780,000, coupled with the record

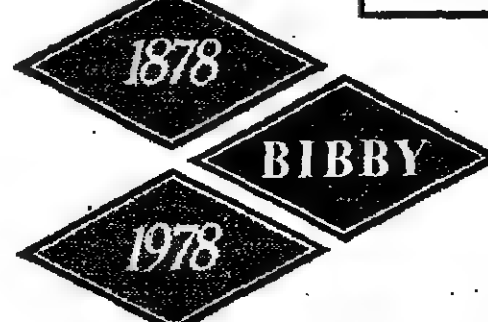
trading profits, enabled the group to reduce its borrowings by more than £4,800,000. Lower prices of raw materials and the strengthening of sterling reduced the demand for working capital and contributed to the favourable cash flow. The group now has substantial unused borrowing facilities which place it in a strong position to take advantage of any acquisition opportunity.

● The improved efficiency of the group as a whole has shown a marked increase in the return on net operating assets. In 1976 it was 13.6 per cent. In 1977 it rose to 18.9 per cent.

● The Group has broadened its base by its entry into the manufacture of medical products and now, through its subsidiaries Henry Cooke Limited and Henry Cooke Converters Ltd, is the UK's major supplier of papers for use in sterile packs for hospitals. It is also the country's major manufacturer of textile transfer printing papers and of creped kraft papers one of which is used as a backing for carpet underlay.

● The Board believes that the prospects for 1978 are encouraging and expects a modest improvement in profit.

	1977	1976
Sales	£168 million	£147 million
Profit pre-tax	£6.17 million	£4.18 million
Dividend per share	6.5p	5.85p
Earnings per share	51.7p	47.1p



Copies of the report and accounts may be obtained from the Secretary, J. Bibby & Sons Limited, Richmond House, 1 Ransford Place, Liverpool L3 9QQ

BIDS AND DEALS

Walker Sons (U.K.) gets approach

THE SHARES of Walker Sons and Co. (U.K.), the U.K. holding company which has four engineering and general trading companies in Sri Lanka, were suspended yesterday following an announcement that the company had received a bid approach.

As the suspension price of 34p Walker is valued by the market at only £182,000 and there is £144,000 of Preference shares, but this does not reflect the true picture. The last report and accounts, which cover the 18 months to March 1977, show profits of £207,000 before tax of £117,216 and £1,000 extraordinary credit of £1,000. Earnings per share for the extended period were given as 17.68p, and the net asset value was said to be 42.59p.

The share price, among other factors, reflects the difficulties Walker, in common with other Sri Lanka-based companies, has had in repatriating funds to pay the dividends it has declared on its shares.

The political uncertainties in Sri Lanka and the difficulty of valuing the assets has also given rise to an auditor's statement that they are unable to express an opinion on the accounts.

Furthermore, since the balance sheet date a devaluation of the Sri Lanka rupee has had the effect of reducing shareholders' funds from £2,060,000 to £284,000.

The asset value has not been revised to take the devaluation into account.

No companies were being linked to the bid yesterday in the market but a major offer in the presence of Peninsular and Oriental Steam Navigation with a 44 per cent stake.

Walker's main business is general engineering and trading in building and equipping tea and rubber factories in Sri Lanka.

PROVL LAUNDRIES

The ownership of Provincial Laundries is going through more shake-ups. Following the failure of its proposed bid for D. M. Lancaster, the Manchester textile group, at the beginning of this month, comes news of further changes in major shareholdings.

The Swiss group, UBS Services, which acquired a 28.66 per cent stake in the company in last July, has now sold its entire holding, and Linnet Consultants, which together with associates, bought a 14 per cent stake in

FINLAS FINANCE

Finlas Holdings, the printing and publishing company, where profits have recently begun recovering after four and a half years of losses, has announced a sale and leaseback on its Theford factory which will release £1m. for capital investment.

The company has sold the 4 acre freehold site and factory for £250,000 and will lease it back at an annual rent of £51,000, with reviews every five years of the 25-year lease.

The purchase price represents a surplus over the value of £114,500 and will be used for new printing machinery and as further working capital.

PYE SELLS

Five of Cambridge's subsidiary companies have been sold to National Plastics, an offshoot of Courtauld, for £285,000.

The merger with National, first announced at the end of March, will create a company with a turnover of £30m. The two companies operate in complementary fields.

Ecco produces plastic mouldings and is a hanger from the the firm, which produces plastic cabinets for radios and televisions. In Pye's accounts this week, its contribution to profits was described as disappointing as a result of low volume.

SMURFIT COMPLETES

Jefferson Smurfit, the Dublin-based packaging group, has now completed its multi-million pound trade agreement with Svenska Cellulosa Aktiebolaget of Sweden which was first announced last May.

Under the terms of the agreement SCA will guarantee the long-term supply of kraft liner used in the manufacture of corrugated cardboard and will take a 40 per cent stake in Smurfit's U.K. and Irish corrugated packaging interests. In return Smurfit will receive £18m. cash which includes £15m. interest and repayment of inter-company loans.

Take-over bids and mergers

A Swedish agricultural seeds company, Hilleskog AB, is poised to make a full-scale bid worth £4.23m. for Milla Marsters, the Norfolk-based seeds and plant breeding group. Hilleskog, which concluded a major trade agreement with Milla three years ago, already owns 23.4 per cent of the group and recently agreed to purchase a further 14.8 per cent. This would take its stake above the 30 per cent level at which, under City Takeover Panel rules, it must make a full bid for the outstanding shares. Hilleskog's proposed offer is 200p a share in cash.

A single bid of around £2.7m. appears to have been made for Champney's health farm and the other U.K. private health businesses of Allied Investments, the nursing homes and medical exports group which is being taken over for £8.1m. by the State-owned National Enterprise Board. The many other parties which had shown interest in buying parts of the business being sold are consequently given a chance to make a higher offer before a conclusion can be reached on the single bid.

Kellogg Holdings and Beilgrave Assets have entered into discussions with a view to a merger being effected between them by means of a scheme of arrangement.

Frank B. Hall, one of the biggest U.S. insurance brokers, is planning to make a cash offer of more than £18m. for the shares of the U.K. insurance broker Leslie and Godwin. Hall said last week that "subject to the appropriate consents" the current talks are expected to lead to a recommended cash offer substantially in excess over the recent market price.

The merger between Edinburgh and General Investments and an unnamed private banking and insurance group is not to go ahead.

GEC has sold half its South African subsidiary to Barlow Rand for £15.6m. Barlow Rand, whose operations are complementary to those of GEC rather than competitive, is fulfilling the U.K. group's long-standing aim to secure local participation in its South African company.

The purchase of two U.S. companies is announced by Thorn Electrical at a cost of £8.6m. Thorn is buying James G. Biddle, a Philadelphia-based distributor of Thorn's measuring instruments, and a part of the Specs Division of the Kelsey Hayes Corporation, which has been a Thorn licensee for hydraulic products.

C. E. Heath has agreed to acquire an 80 per cent stake in a French underwriting agency Groupe Sprinkles SA in a deal worth more than £4.7m., while Britannia Arrow has sold Arrow Life Assurance and Britannia Life Association (C.I.) to Gulf and Western Industries for £25.5m. in cash.

Energy Finance and General Trust has purchased on behalf of trusts associated with the family of Mr. D. J. P. Bryans 1.15m. Ordinary shares in Samuel Sherman (£2.75 per cent.) at 11p per share from the trustees of the Sherman family settlement.

Company bid for	Value of bid per share**	Market price**	Price before bid (£m)**	Value before bid (£m)**	Bidder	Final Acc'd date
BACA	125	123	35	1.48	A.P. Cement	—
Blakey's (Malleable Castings)	28	25	48	1.3	Allied Insulators	—
Gray Electronics	28	25	48	2.58	Specy Invest.	—

Lloyd's looking into Wigham Poland position

BY JOHN MOORE

Bid talks by Marsh and McLennan, the largest U.S. insurance broker, with Anglo Continental for ownership of Lloyd's brokers Wigham Poland are to be discussed at next Wednesday's meeting of the 18 strong Committee of Lloyd's.

The Committee is considering the Marsh approach as part of its wider discussions on whether it is prepared to accept the principle of foreign ownership of Lloyd's brokers.

The issue was raised earlier this week by the bid from Frank B. Hall, the third largest U.S. broker, for Leslie and Godwin.

Then Marsh and McLennan was rumoured to be making a bid for Wigham Poland, which is controlled by Sir James Goldsmith's Anglo Continental. The latter would make no comment yesterday.

Wigham Poland's managing director Mr. J. R. Smith said yesterday: "I have spoken to Sir James Goldsmith and he feels that as a private company we should not say anything until there is something conclusive and useful to say."

In America yesterday Mr. John Regan, chairman of Marsh said: "We have important connections with many Lloyd's U.K. brokers and we are always looking for ways to increase our affiliations further." The group holds a 20 per cent share stake in Bland Payne, and puts a great deal of business with C. T. Bowring and Sedgwick Forbes.

"I understand though that Wigham Poland has been publicly up for sale for sometime," said Mr. Regan.

Commenting on whether any ownership of Wigham Poland might be contemplated by the future attitude of Lloyd's, Mr. Regan said: "I would have thought it would have been things simpler. Since Anglo Continental's holding company is the French group Generale Occidentale, Wigham is already foreign owned. But I don't want to put any pressure

BABCOCK & WILCOX

Babcock and Wilcox has restructured its management and corporate organisation by the formation of four group operating companies.

The boiler-making business, which is now the subject of merger negotiations with Northern Engineering's boiler-making operation, becomes part of the new operations group. The other groups are Babcock Constructors, Babcock Industrial and E. Fogarty.

The business comprises the manufacture and distribution of patented hot air assisted microwave ovens for the catering trade.

MILLER BUCKLEY

Miller Buckley, the Rugby based civil engineering group, is paying around £45,000 cash to take an 80 per cent stake in the privately owned R. Ogden, which manufactures pressure mains mainly for the gas industry.

ARBUTHNOT LATHAM

Arbuthnot Latham has sold its 30 per cent interest in Trade Growth Fund, an Australian finance company, to the National Insurance Co. of New Zealand for £224,000 cash.

HTV GROUP

HTV Group, the television and radio company, has acquired Frederick Muller, publisher, for £125,000 cash. The latest accounts of Muller to June 25, 1977, disclosed net tangible assets of £155,414.

COPE SPORTSWEAR

Cope Sportswear has agreed to purchase the assets of Bective Fashions from the Receiver. These include a 40,000 square foot building, purpose built for the manufacture of textile clothing seven years ago and situated in the centre of Stockton.

SHARE STAKES

Empire Plantations and Investments, London, has acquired 25,000 shares making total 538,000 (11 per cent), Scottish Northern Investment Trust has purchased 300,000 (£5.01 per cent). Single Holdings has sold 475,000 shares reducing balance to under 5 per cent.

Duple International — 54,066 Ordinary shares have been acquired by interests within the control of Mr. A. G. Glendon, a director. Total holdings in which he is now interested is 87,998 shares. 54,066 shares have been acquired by interests within the control of Mr. G. B. Church, a director. Mr. Church is now interested in 58,666 shares. Mr. D. Blank, a director, has disposed of 103,332 shares and is now interested in 4,112,000 (10 per cent) shares.

Mitchell Cotts Transport — Mr. P. W. Ward, a director, has acquired 25,500 Ordinary shares in Mitchell Cotts Group (the holding company) by exercise of options granted to him by that company. He has sold 15,000 Ordinary in Mitchell Cotts Group and has purchased 1,000 Ordinary shares in Mitchell Cotts Transport.

Notified by Aktiebolaget SKF which is registered holder of all the Ordinary capital, that it has transferred holding in full to wholly owned U.K. subsidiary, SKF Investments.

Griffiths Holdings — Notified by BSG International that wholly owned subsidiary, Griffiths Bentley, has sold 250,000 Ordinary shares to BSG. As a result, Griffiths Bentley is now the beneficial owner of 1,224,198 Ordinary shares.

KONAM THEATRE

SUMMARY OF THE WEEK'S COMPANY NEWS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Hewlett Stuart	Jan. 29	4,500 (3,500)	10.2 (8.2)	1.288 (1.146)
Huntleigh Group	Dec. 31	720 (870)	17.2 (15.2)	2.35 (2.11)
S. Jerome	Dec. 31	602 (510)	17.2 (15.2)	3.035 (2.77)
Lee Refrig.	Dec. 31	1,642 (1,770)	12.9 (14.0)	2.584 (2.328)
London Porter	Dec. 31	2,069 (1,019)	27.0 (13.8)	9.787 (8.68)
Lyons & Lyons	Dec. 31	636 (824)	12.9 (22.4)	8.0 (2.36)
Albert Martin	Dec. 31	1,690 (1,127)	23.5 (23.7)	3.496 (2.068)
Oil Exploration	Dec. 31	1,423 (1,373)	7.1 (5.4)	2.108 (1.887)
Orley Printing	Dec. 31	1,409 (305)	23.5 (5.0)	2.475 (NII)
Portals	Dec. 31	8,890 (6,790)	24.2 (21.9)	7.88 (7.0)
Ready Mixed	Dec. 31	28,315 (22,944)	13.9 (13.0)	5.77 (5.17)
Rich. & Wallington	Dec. 31	2,690 (1,810)	16.8 (10.4)	4.312 (4.04)
Richards W. Garth	Dec. 31	2,000 (2,370)	7.6 (9.2)	4.534 (4.06)
Rio Tinto-Zinc	Dec. 31	371,500 (278,800)	32.7 (22.3)	9.5 (8.0)
Rowan & Boden	Dec. 31	450 (408)	14.1 (8.9)	1.318 (1.15)
Rovantree Mack	Dec. 31	41,483 (30,822)	41.8 (37.0)	8.168 (7.313)
Rubergoid	Dec. 31	881 (789)	4.3 (3.4)	2.157 (2.041)
Geo. Sandeman	Dec. 31	1,494 (2,777)	5.4 (1.5)	2.31 (2.31)
Sanderson Kayser	Dec. 31	1,087 (894)	8.8 (8.9)	4.36 (3.89)
Senior Engng.	Dec. 31	5,900 (7,507)	3.4 (8.0)	1.167 (1.058)
Sikolene	Dec. 31	777 (775)	9.7 (11.7)	2.194 (1.997)
Wm. Sindall	Dec. 31	371 (384)	17.2 (15.8)	4.068 (3.886)
G. W. Sparrow	Dec. 31	1,478 (1,312)	12.5 (11.8)	2.152 (1.928)
St. Furniture	Dec. 31	1,268 (1,563)	11.9 (5.2)	4.8 (4.304)
A. G. Stanley	Dec. 31	1,110 (925)	21.5 (17.1)	5.827 (5.287)
Taylor Paillister	Dec. 31	221 (148)	15.5 (10.3)	4.475 (4.054)
Thames Copper	Dec. 31	708 (612)	26.6 (24.4)	10.08 (9.5)
Thames Valley	Dec. 31	2,740 (1,100)	11.9 (5.2)	2.14 (1.94)
Websters Pubs.	Dec. 31	9,057 (3,883)	8.0 (8.1)	1.675 (1.52)
Wilmut Breedon	Dec. 31	3,676 (6,211)	13.8 (14.4)	3.082 (2.789)
Arthur Wood	Dec. 31	393 (182)	8.2 (4.5)	0.688 (0.604)
York Trailer	Dec. 31	2,740 (1,100)	11.9 (5.2)	2.14 (1.94)
Yorks Fine	Dec. 31	17 (189)	0.2 (8.5)	2.753 (2.502)

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Analyst. Metal	Dec. 31	8,121 (7,946)	34.0 (48.3)	15.812 (14.157)
A.P. Cement	Dec. 31	47,000 (45,000)	27.0 (28.3)	9.342 (8.34)
Assend. Biscuits	Dec. 31	10,590 (9,479)	15.3 (13.3)	3.19 (2.83)
Auto. Products	Dec. 31	13,800 (9,701)	16.7 (12.9)	2.043 (1.820)
Babcock Wilcox	Dec. 31	32,275 (29,677)	22.3 (19.3)	5.25 (2.11)
Beaufort Group	Dec. 31	522 (453)	7.4 (5.2)	3.24 (2.89)
Beaufort Concrete	Dec. 31	3,340 (3,490)	3.2 (7.5)	2.751 (2.301)
Bentalls	Jan. 31	2,690 (2,101)	3.3 (2.4)	1.18 (1.057)
Henry Bond	Dec. 31	2,012 (2,531)	17.9 (22.3)	9.194 (8.223)
Beane & H. Worth	Feb. 15	271 (312)	0.3 (3.1)	2.873 (2.578)
Rowtherpe	Dec. 31	5,917 (5,447)	8.5 (7.4)	1.82 (1.468)
Camex Hldgs.	Dec. 31	1,980 (1,764)	11.5 (10.4)	3.96 (3.24)
Carpet Int.	Dec. 31	1,220 (3,710)	2.2 (6.4)	1.65 (5.31)
Carroll Co.	Dec. 31	484 (1,167)	4.6 (8.0)	3.584 (3.584)
Chesapeake Int.	Dec. 31	4,171 (3,665)	10.5 (7.9)	2.74 (2.081)
Chamberlain Grp.	Dec. 31	2,009 (1,958)	10.9 (8.7)	2.737 (1.879)
Clarke, Nickells	Dec. 31	516 (346)	4.7 (4.8)	1.076 (1.756)
Horace Corp.	Dec. 31	982 (440)	3.5 (2.9)	0.675 (0.599)
Cooley Bldg.	Dec. 31	241 (225)	7.0 (6.3)	1.54 (1.14)
DR	Dec. 31	21,874 (19,804)	12.7 (10.6)	7.0 (6.27)
Danish Bacon	Dec. 31	1,710 (1,850)	41.0 (43.0)	6.641 (5.945)
J. J. Dewhurst	Jan. 13	1,050 (914)	12.7 (10.0)	1.76 (1.579)
Drumland Elec.	Dec. 31	704 (256)	10.7 (3.7)	2.341 (3.273)
Eagle Star	Dec. 31	42,500 (32,400)	19.3 (15.0)	6.128 (5.527)
Empire Stores	Jan. 31	6,890 (5,430)	12.5 (11.5)	4.828 (3.32)
John Finlan	Dec. 31	921 (73)	NII (NII)	NII (NII)
James Fisher	Dec. 31	2,250 (1,150)	20.3 (10.2)	1.323 (1.368)
Johnston & Co.	Dec. 31	1,540 (1,230)	36.5 (21.5)	5.408 (3.047)
Stanley Gibbons	Dec. 31	1,560 (1,310)	10.9 (10.3)	3 (2.74)
Glynwed	Dec. 31	13,827 (14,826)	9.9 (11.8)	8.2 (7.425)
GRE	Dec. 31	38,800 (81,000)	22.7 (24.8)	10.165 (9.182)
Green's Econom.	Dec. 31	1,032 (2,194)	9.2 (13.2)	4.241 (4.241)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Advest	Dec. 31	1,960 (1,750)	8.5 (2.5)
Burgess Products	Jan. 28	347 (191)	1.0 (NII)
Ferry Pickering	Dec. 31	421 (335)	1.25 (1.127)
Glaxo Holdings	Dec. 31	40,260 (39,400)	4.5 (4.0)
Hewlett Stuart	Dec. 31	4,500 (3,500)	10.2 (8.2)
Kalamazoo	Jan. 27	1,270 (1,150)	0.925 (0.825)
Photo-Me Int.	Oct. 31	1,298 (1,124)	1.98 (1.0)
Samuel Props.	Dec. 31	484 (873)	NII (0.1)
Smiths Indus.	Jan. 28	7,487 (9,338)	2.95 (2.5)
Startrite Engg.	Dec. 31	514 (157)	1.4 (1.2)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † For 32 weeks.

‡ For 53 weeks. § Gross. ¶ For 15 months. ** For 12 months. †† Loss

Scrip Issues

Crosby Spring Interiors: One Preference for 20 Ordinary.
L. J. Dewhurst Holdings: One-for-three.
L. J. Dewhurst Holdings (Preference shares): One-for-15.
K. Fogarty and Co.: One-for-three.
Hewlett-Stuart Plans: One-for-five.
S. Jerome and Sons (Holdings): One-for-ten.
Pittard Group: One Preference for nine Ordinary.
A. G. Stanley Holdings: One-for-two.

were down from 1.42p to 0.97p per 10p share.

1977 1978

Turnover 12,646,964 13,824,518

Profit before tax 89,228 176,580

Retained profit 33,358 84,434

Minority credit 2,185 11,989

Dividend 37,197 45,941

On the future, the directors report that the field of general contracting remains gloomy "but far from hopeless".

On the brighter side they are increasing activities in private housing and the interim, the directors have already started new contracting of tracts in Saudi Arabia and are recommending a final dividend of 0.75p net, which goes against a dividend of 1.125p in 1978. Earnings throughout the year.

Stanley Miller in profit: pays 0.75p

A return to profits in the second half was achieved by Stanley Miller Holdings, and a dividend is being paid.

The second half surplus came to £174,068, to leave £28,533 for 1977 (after a first half loss).

After a first half loss, the company's activities in private housing and the interim, the directors have already started new contracting of tracts in Saudi Arabia and are recommending a final dividend of 0.75p net, which goes against a dividend of 1.125p in 1978. Earnings throughout the year.

PHOTOPIA

Central and Sheerwood has now compulsorily acquired the balance of Photopia International.

HALIFAX INS.

The offer by Provident Financial Group for Halifax Insurance is now unconditional. Acceptances total 737,674 shares (96.48 per cent.). The offer remains open.

W. HENSHALL

W. Henshall and Sons has acquired the Meatstream business from the BOC Group.

The business comprises the manufacture and distribution of patented hot air assisted microwave ovens for the catering trade.

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WALL STREET + OVERSEAS MARKETS + RISING PRICES

Up 20 in record 52m. volume

BY OUR WALL STREET CORRESPONDENT

BOOM CONDITIONS developed on Wall Street today, when the Dow Jones Industrial Average leaped 19.92 to 793.13 in an all-time record volume of 52.2m. shares. The upsurge was fuelled by growing investor confidence and a turn for the better in the economic news.

The NYSE All Common Index, at \$51.94, rose \$1.03 on the day.

FRIDAY'S ACTIVE STOCKS

Stocks	Change
Scott Paper	1.55
General Electric	1.25
IBM	1.10
AT&T	1.05
Boeing	1.00
Johnson & Johnson	0.95
Merck	0.90
Amgen	0.85
Amgen	0.80
Amgen	0.75
Amgen	0.70
Amgen	0.65
Amgen	0.60
Amgen	0.55
Amgen	0.50
Amgen	0.45
Amgen	0.40
Amgen	0.35
Amgen	0.30
Amgen	0.25
Amgen	0.20
Amgen	0.15
Amgen	0.10
Amgen	0.05
Amgen	0.00

and \$1.53 on the week, while gains lost by more than a three-point majority. The previous record volume was 44.32m. shares traded February 30, 1976.

The Federal Reserve reported a smaller than expected rise in the U.S. Money Supply, relieving concern that the Fed would

tighten credit policy in an attempt to keep a rapidly expanding money supply from feeding inflation.

Also in the improved economic news, the Federal Reserve reported that Industrial Production rose by 1.4 per cent last month, the steepest rise in a year. Further, the dollar was higher against major European currencies.

Analysts also mentioned satisfaction with some improved first quarter earnings reports.

Analysts also hoped the Government would take effective steps to curb the rise of inflation. These hopes were encouraged by speculation that President Carter may delay his proposed \$3.50 tax cut, although a White House spokesman later denied such a step would be considered.

THE AMERICAN SE Market Value Index put on 1.01 to 134.69, making a rise of 2.85 on the week. Trading volume 3.78m. (4.1m) shares.

Canada up again

Canadian Stock Markets further improved in active trading yesterday with the Toronto Composite Index up 1.6 at 1,094.8.

The Metals and Minerals Index rose 2.1 to 900.0. Oil and Gas 0.7 to 1,435.1. Bonds 0.82 to 2,353.4 and Papers 1.41 to 100.56. Golds, however, dipped 14.9 to 1,238.4 and Utilities eased 0.30 to 165.96.

OTHER MARKETS

PARIS—French shares mixed in dull trading. Chemicals and Publishing mostly ahead. Foods, Mechanicals, Oils and Textiles easier.

Americans firmed as did Germans. Oils and Dutch issues. Gold Mines generally easier.

BRUSSELS—Generally higher after lively trading. U.S. stocks advanced broadly. Germans firmer and Dutch stocks little unchanged. French shares easier. South African Golds little changed.

AMSTERDAM—Generally firmer. Shipping and Transport mostly weakened. State Loans firmed, mainly on Foreign demand.

GERMANY—Prices eased in dull trading. Chemicals and Publishing mostly slightly easier. Mechanicals mixed.

Public Authority Bonds eased up to 20 pennings.

SWITZERLAND—Mixed in quiet pre-holiday trading. Financials and Insurance little changed, leading Industrials narrowly mixed.

Domestic and Foreign Bonds again in good demand and higher.

Dollar stocks firmer, Dutch Industrials slightly higher, Germans mixed.

RUSSIA—Most sectors declined although overall trading improved ahead of end of month settlements.

JOHANNESBURG—Gold shares easier in line with lower bullion indications. Trading very quiet. Financials little tested.

Other Metals and Minerals slightly harder in light trading. Industrials quietly firmer.

HONG KONG—Easier in light trading.

TOKYO—Higher in active trading, volume 430m. (550m) shares. Precision Machinery Instrument Makers, Drugs and Heavy Electricals rose.

AUSTRALIA—Many Industrials and Mining rose, while Bankings, Leading Banks and Buildings improved. BHP put on 10 cents to \$46.23 on an increased final dividend.

Indices

NEW YORK—DOW JONES

NEW YORK—DOW JONES											1918				Since completion					
	Apr. 14		Apr. 13		Apr. 12		Apr. 11		Apr. 10		Apr. 7		High		Low		High		Low	
	1918	1917	1918	1917	1918	1917	1918	1917	1918	1917	1918	1917	1918	1917	1918	1917	1918	1917	1918	1917
Industrial.....	766.15	775.21	766.58	770.16	775.69	769.58	8 7/8	(2 1/2)	748.12	(22.2)	105.17	(11.7)	41.92	(2.73)						
"non ferrous"	68.84	69.21	69.35	69.76	69.58	69.55	90.05	(8.20)												
Transport.....	213.77	209.58	207.44	207.76	205.95	208.18	215.77	(5.1)	192.94	(19.1)	275.85	(22.4)	18.92	(7.57)						
Utilities.....	169.58	165.99	165.82	166.93	166.92	166.93	166.98	(16.1)												
Trading vol. Oct. 7	32,280	31,580	38,310	34,890	38,740	25,160														

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STOCK EXCHANGE REPORT

Poor week not helped by disappointing trade figures

Gilts steadier but share index falls 5.5 more to 447.4

Account Dealing Dates

*First Declared Last Account
Dealings Dealings Day
Apr. 13 Apr. 14 Apr. 25
Apr. 17 Apr. 27 Apr. 28 May 10
May 2 May 11 May 12 May 23

"New time" deals may take place from 9.30 a.m. two business days earlier. Stock markets remained in the doldrums as the second and final leg of the Account dealing day unfolded. Underlying sentiment was again overshadowed by recent concern about the Government's future monetary policy and, with the announcement of a disappointing set of March trade figures in the afternoon, the slide in both British Funds and equities continued.

Short-dated issues bore the brunt of fresh selling in the Funds and recorded further losses extending to 1 by the close. Longs, however, held up relatively well until the late dealing hours when the trend turned distinctly down. The Government Securities Index gave up 0.03 more to 71.50 for its biggest, 2.46, fall in a week since November, 1973.

Leading equities finished the day with losses extending to 4 and sometimes more and the FT 30-Share Index closed 5.5 lower at 447.4 for a fall of 18.7 on the week — its biggest for about five months. Once again, selling pressure was fairly modest with the reaction mainly reflecting the prevailing thin and sensitive trading conditions.

Secondary issues gave fresh ground, but the setback was not so widespread as on Thursday and there were a few bright spots in response to company trading statements. Bid speculation also provided the odd improvement. Falls fell rises by 3.2 in FT-quoted Industrials compared with a rise of 8.1 on the previous day. The FT-Actuaries All-Share Index fell 0.7 per cent, more to 198.46 for a loss on the week of nearly 4 per cent. Official markings amounted to 4,930.

Gilts still unsettled

The disappointing March trade figures, which came on a market already weighed down by doubts about the monetary aspects of the recent Budget, made for further late unsteadiness in the gilt-edged sector yesterday. Long-dated issues were inclined harder in the earlier dealing, but gradually came back to finish at overnight levels with some tending easier in the after-hours trade. In contrast, short-dated stocks fell throughout the session. Some fairly substantial selling in this area left prices with fresh losses ranging to 1. Here, too, the late trend was to lower levels. Corporations recorded numerous falls extending to a full point but, elsewhere in fixed interest stocks, Southern Rhodesia 6 per cent, firmed a point to 88.

Hambro Life please

Against the dull trend in insurance, Hambro Life rose 7 to 302p in response to the increased dividend and profits, while C. T. Bowland edged forward a penny to 105p in response to the chairman's confident statement. Matthews Wrightson softened 2 to 188p following the disappointing annual earnings. Willis Faber came on offer at 265p, down 12, while Grenville Beard receded 4 to 40p as did Pearl, to 25p. Royals dipped 7 to 34p among Composites where London United Investments softened 2 to 140p; the latter's preliminary figures are due on Monday. Newarbit closed at the overnight level of 158p, after 100p, while Rugby Port Cement held steady at 70p.

In Chemicals, ICI fluctuated between 33p and 32p before closing 7 down on balance at 33p. Pisons touched 32p in response to Press comment and ended a net 2 up at 32p.

Construction issues initially presented a mixed picture, but eventually succumbed to the general trend and ended with notable falls. Magnet and Southern softened 2 to 32p, while 11p in Stanley Miller, and Richards and Wallington added a similar amount to 81p in further response to the preliminary figures. In front of preliminary results due on Monday, Newarbit closed at the overnight level of 158p, after 100p, while Rugby Port Cement held steady at 70p.

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Still awaiting their decisions on base lending rates, the major clearing banks generally drifted lower. Midland finished 5 off at 34p and Lloyds closed a few pence easier at 26p. Australian issues, however, were inclined harder with Bank of New South Wales 10 up at 47p and National Bank of Australasia 6 dearer at 22p. Hire Purchases remained unsettled by the prospect of a further credit and closed with issues of a penny or so.

Breweries put up a better performance

than of late, closing at, or near the overnight levels. Allied finished slightly dearer at 53p, but Bass Charrington eased a penny to 150p and A. Guinness a similar amount to 17p. Elsewhere, Geo. Sandeman edged forward 2 to 80p on further consideration of the results.

Buildings passed a quiet end of Account session with leading issues drifting easier. AP Cement shed 3 to 257p on further consideration of the annual results, while London Brick cheapened a penny to 63p despite a Press recommendation. Contracting and

lost 6 and 4 respectively, while Mothercare were also 4 off at 150p and Debenhams 3 easier at 88p. Elsewhere, Currys eased 3 to 177p ahead of Monday's preliminary results and Aquacraft closed a penny off at 35p following the results. Freemans shed 4 to 232p but J. Dewhurst hardened 3 to 68p. Samuel Sherman at 131p, held the previous day's gain of 4 which followed the disclosure that Energy Finance and General Trust had acquired a 29 per cent stake in the company at 11p per share. Apart from Sany, 45p up at 67p following the U.K. launch of a

new Japanese video system. Electricals remained out of favour. GEC were finally off at 233p, after 232p, while 204, 150p, and Thorn Electrical, 35p, shed 2 apiece.

GKN, a further 5 lower at 265p, became the biggest casualty among the Engineering leaders. Vickers cheapened 3 to 17p and Tubes eased 2 to 32p. Hawker closed 3 down at 180p; the preliminary results are due on Tuesday. Elsewhere, Peter Brotherhood stood out with a fresh gain of 8 to 130p on speculative buying fuelled by persistent bid hopes. Balance at 125p. Borealis Investments, however, lost 1 1/2 to 13p after the halved first-half profits. Losses of 7 to 265 and 13 to 317p were seen in De La Rue and Kvaerner respectively.

Motors and Distributors closed on a dull note. Lucas Industries fell 8 to 37p, while Lex Service, 72p, and Godfrey Davis, 72p, shed 4 apiece. Against the trend, Rodens revived with a rise of 3p. York Trailer continued firmly, closing a penny better at 60p, after 61p, for a two-day gain of 4 on the results. Property comment on the poor second-half profits brought about a further fall of 4 to 112p in DRG. Elsewhere in Paper/Printing, Ogilvy and Mather rose 1 1/2 points to 277p on investment currency influence and British Printing moved forward 2 to 49p in response to an investment recommendation. Publishers, Associated Book relinquished 10 to 175p.

Stores dull

Lending Stores continued their post-Budget decline and closed at the day's lowest. Gussies A. 24p, and Marks and Spencer, 141p.

"Suits" easier

Miscellaneous industrial leaders gave further ground with sentiment additionally unsettled by the late March trade figures. Pilkington Bros. lost 7 more to 465p and Becham receded 5 to 625p, while Boots, 201p, and Glaxo, 515p, both shed 4. Scottish and Universal, however, touched 114p before closing 3 easier at 115 on fears that Lonrho's bid, currently worth around 10p a share, will be referred to the Monopolies Commission. House of Fraser declined 4 to 141p in sympathy. Elsewhere, Letraset rose 4 ahead to 162p, while 11p in Borealis Investments, however, lost 1 1/2 to 13p after the halved first-half profits. Losses of 7 to 265 and 13 to 317p were seen in De La Rue and Kvaerner respectively.

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FT-Actuaries All-Share Index

1978 1977 1976 1975 1974 1973 1972 1971 1970 1969 1968 1967 1966 1965 1964 1963 1962 1961 1960 1959 1958 1957 1956 1955 1954 1953 1952 1951 1950 1949 1948 1947 1946 1945 1944 1943 1942 1941 1940 1939 1938 1937 1936 1935 1934 1933 1932 1931 1930 1929 1928 1927 1926 1925 1924 1923 1922 1921 1920 1919 1918 1917 1916 1915 1914 1913 1912 1911 1910 1909 1908 1907 1906 1905 1904 1903 1902 1901 1900 1899 1898 1897 1896 1895 1894 1893 1892 1891 1890 1889 1888 1887 1886 1885 1884 1883 1882 1881 1880 1879 1878 1877 1876 1875 1874 1873 1872 1871 1870 1869 1868 1867 1866 1865 1864 1863 1862 1861 1860 1859 1858 1857 1856 1855 1854 1853 1852 1851 1850 1849 1848 1847 1846 1845 1844 1843 1842 1841 1840 1839 1838 1837 1836 1835 1834 1833 1832 1831 1830 1829 1828 1827 1826 1825 1824 1823 1822 1821 1820 1819 1818 1817 1816 1815 1814 1813 1812 1811 1810 1809 1808 1807 1806 1805 1804 1803 1802 1801 1800 1799 1798 1797 1796 1795 1794 1793 1792 1791 1790 1789 1788 1787 1786 1785 1784 1783 1782 1781 1780 1779 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OFFSHORE AND OVERSEAS FUNDS

[illegible][illegible][illegible]

1. Tax-free trading on commodity futures
2. The commodity futures market for the smaller investor

FINANCE, LAND—Continued[illegible][illegible]

Debenham	10	Mrs. & Spencer	25	Town & City	25
Diffellars	23	Middleland Bank	11		
Dunlop	85	N. S. I.	16	Olla	16
Eagle Star	7	N. S. I.	16	Art. Petroleum	35
Gen. Accident	17	Do Warrants	16	Burnham Oil	7
Gen. Electric	37	P. & O. Ltd.	9	Charterhall	7
Glaze	40	Plassey	9	Shell	22
Grand Met.	4	R. N. M.	18	Ultramar	22
G.U.S. A.	4	Bank Org. 'A'	18		
Gusford	22	Bank Org. 'B'	18		
Gusford	22	Bank Org. 'C'	18		
Hauser Sidd.	12	Bred Ford	4	Wines	12
House of Fraser	20	Scollers	4	Charter Cons.	12
		Tesco	4	Cons. Gold	20
		Thorn	22	Rio T. Zinc	16
		Trust Houses	22		

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G.U.S. A.	4	Bank Corp. A.	18		
Gusford	22	Bank of India	4	Mines	
Gusford	22	Barclay	4	Charter Cons.	12
Hauser Sidd.	20	Spillers	4	Cons. Gold	26
House of Fraser	12	Tesco	22	Rio T. Zinc	16
		Thorn	22		
		Trust Houses	22		

MAN OF THE WEEK

Land of his fathers

BY QUENTIN PEEL

THE DECISION by Paramount Chief Kaiser Dlamini to break off diplomatic relations between the Transkei and the South African Government was a rude shock to many South Africans. Chief Dlamini himself undoubtedly saw it as a logical step.

Two years ago he was the South African Government's most favoured son: the first tribal leader to take his homeland to independence within the National Party's policy of separate development. This was the big breakthrough for apartheid which would show the way forward for the other homelands. But to Chief Dlamini, 62 years old, a tall, aristocratic figure with traditionalist views on tribalism, it was also a first step towards the building of a greater Xhosa-land for the Xhosa-speaking peoples.

As a negotiator, he was scarcely compliant, in the talks which were carried on with Mr. John Vorster, his South African counterpart. Two issues gave the greatest problems. The first was the South African insistence that all Xhosa-speaking people living in "white" South Africa should automatically become Transkei citizens. Four times Chief Dlamini rejected the proposal, four times it came back unchanged until finally, maintaining that a compromise had been reached, he gave in. At least in future, he declared,



Chief Kaiser Dlamini
Traditionalist views on tribalism

Transkeians would not have to deal with the "notorious and anti-black" officials of the Department of Bantu Administration, but rather with the "sophisticated and gentle officers of the Department of Foreign Affairs." Even that hope has not materialised.

The other issue was, to speak paradoxically, the restoration of what Chief Kaiser saw as historic Xhosa land. Instead he had to settle for two districts he had not directly claimed, which previously belonged to the neighbouring homeland of Ciskei. But he declared that the land dispute would continue after independence.

He has shown a strong streak of puritanism in his dealings, even with his colleagues. The recent defection of 16 members of his ruling party—seen by some as one reason for his sudden hibernation towards Pretoria—was sparked by his dismissal of Miss Stella Sigau, Minister of Education and daughter of the Transkei President Botha Sigau, for becoming pregnant.

He is described as imperious, arrogant and aloof. He has threatened to expel his own Methodist Church from Transkei for discontinuing the practice of sending messages of good will to South African heads of state.

But when in interviews he has come to the question of land rights, his attitude is transformed. Although he used the language of African nationalism when announcing his break with Pretoria, demanding majority rule in South Africa, he remains ultimately a Xhosa nationalist.

"As I have already said, I will from now on demand majority rule in South Africa, my country," he said. "It will remain my country as long as portions of Transkei are still in South Africa. It will stop being my country when the land claimed is transferred to Transkei."

Few would question Chief Dlamini's sincerity in seeking the restoration of Xhosa lands, although he may well hope that the move will also bring Transkei the international recognition hitherto denied it. His credibility has severely suffered, however, from his previous attempts at confrontation with Mr. Vorster—over citizenship and the land issue—on each of which he has eventually backed down.

SKATE PARK CHANGES HANDS AS OPERATORS MAKE A LOSS

A bruising for skateboard backers

BY ARNOLD KRANSORFF

IS THE skateboard craze dying?

The question has been raised by news that the U.K.'s first—and largest—skateboard park, in Southwark, South London, has changed hands.

The previous operators, Skatecity, found it unprofitable and stopped trading earlier this week.

The new management is being undertaken by Skateways, a joint venture between National Car Parks and Tate and Lyle.

Mr. Peter Bewsey, general manager of Skateways, said London Bridge Properties, part of Hay's Wharf, had asked Skateways to take over the running of the skate park from April 16. It was currently operating at a loss but he expected this to be reversed when

the weather improved.

About 100 skaters a day are using the park, compared with about 600 a day last October when the craze was at its height. Mr. Bewsey said that there was no intention to increase the fees of 75p per session.

The company intended to improve the amenities for skaters and spectators but the extent of the improvements would depend on the length of the management agreement and the rent, which have still to be finalised.

Mr. Ian Tegg, a director of Devonport-Trading as Skatecity—said that demand for the facilities at Southwark had fallen considerably. Attendance was down at least 60 per cent, on the peak levels of last year.

With an annual rental

demand of £20,000 plus a rating assessment of £19,000, operation of the park had become uneconomic. He believed that "there was no future for skateboard parks in the U.K."

Skatecity had also pulled out of its joint venture with Boris Civil Engineering, which was to offer a construction and investment service to park operators.

Boris, while discontinuing the financing service, still believes that there will be a demand for park construction and modular units, and is continuing its interest in the skateboard industry through a newly-formed subsidiary Sabellian.

The number of skateparks in London has been reduced to three with the closure of one in Putney. The other two are in Battersea and Hillingdon.

The remarkable boom in skateboard sales last year led a number of companies to invest in the business, including Tate and Lyle, which acquired the European rights to a new range of skateboards developed by Mattel, of the U.S.

Some manufacturers have argued that the development of skateboarding as a sport would depend on the availability of skateboard parks.

The apparent decline in the popularity of these parks which already exist raises doubts about the future of skateboarding.

However, one manufacturer yesterday pointed to the severe winter weather which followed the boom period at Christmas. He forecast that interest would revive as the weather improved.

Autumn poll possible after Labour win

BY RICHARD EVANS, LOBBY EDITOR

LABOUR's success in retaining Garscadden by a respectable majority against the pressures of the Nationalists in Thursday's by-election is a further pointer to a decision by Mr. James Callaghan to go to the country in the autumn.

Several indicators still have to be assessed—including some by-elections and the prospects for inflation later in the year—but the Prime Minister now has a part answer to a question worrying Labour strategists—how the party would do in Scotland.

Without a respectable showing in Scotland, Labour could not hope to retain power at Westminster, and the swing to the Nationalists at Garscadden of 3.6 per cent was the lowest against the Government in a by-election of this Parliament.

Jubilant Labour MPs pointed out that during a General Election campaign, opinion invariably swings back in the Government's favour, so that Labour's prospects in Scotland appear better than the party dared hope. This makes the result at Hamilton

critical for the Government.

Mr. Denis Healey, Chancellor of the Exchequer, said yesterday that "the tartan tide is on the turn." The Budget had helped to win the by-election—an opinion borne out by a special poll conducted by ITN by Opinion Research Centre on the Garscadden vote.

Among Labour voters, 26 per cent said they were strongly influenced by the Budget and a similar number of voters captured by Labour from the SNP and the Tories also gave the Budget as their main reason for changing.

Just under a third of the voters asked, who switched from Labour or SNP to the Conservatives said it was the Tories' law and order policy which most influenced them. The second most frequently mentioned policy was immigration.

The by-election result means that in the Commons Labour and its allies will now be in a minority of seven against all other parties, with four by-elections pending.

The contests still to come are at Lambeth Central, where voting takes place next Thursday, Hamilton, where polling is expected in late May, and Wycombe and Epsom and Ewell, both Conservative strongholds, where polling is on April 27.

Ray Parnham, Scottish Correspondent, writes. The Labour Party is growing in confidence that it can hold Hamilton in the by-election and retain control of the important Strathclyde region in the local authority elections at the beginning of next month.

The party has been given new heart by the size of its majority over the Scottish Nationalists at Garscadden. Mr. Donald Dewar held the seat by 4,532 votes, some 3,000 less than at the last General Election, but considerably more than predicted.

The Nationalists were clearly disappointed by their performance, although the swing from Labour was enough to give them a further eight seats if repeated at a General Election.

Week-end brief, Page 15
By-election details, Page 20

Appeal to ease mortgage curb

By Michael Cassell, Building Correspondent

BUILDING SOCIETIES will press the Government for a relaxation in restrictions on mortgage lending, introduced only two weeks ago.

They believe that the Government's insistence on a reduced level of mortgage advances, designed to stem rapidly rising house prices, has had useful psychological impact on the housing market, even though the cut has just taken effect. Prices, they say, were in any case levelling out.

The societies are concerned that a sudden return to higher mortgage lending levels at the end of June, when present restrictions are due to be discussed, might again start rapid house-price inflation.

Mr. Ralph Stow, chairman of the Building Societies Association, said in London yesterday that he hoped societies would return to higher lending levels at the end of June, and the process could begin almost at once.

The societies have been committed since April 1 to lending about 10 per cent less than the figure originally agreed between themselves and the Government earlier this year.

The result should be a monthly lending programme of about £650m., a figure which includes about £40m. to cover items like improvement work.

Association figures yesterday showed that the societies' advance programme exceeded even the original lending targets. 20 March societies lent a record £800m. to home-buyers, reflecting the exceptionally high level of commitments in the last few months.

Takeover of Greys, Page 3

Weather

U.K. TO-DAY

SCATTERED wintry showers

London, Cent. S. and E. England, E. Midlands and Channel Islands

Cloudy with rain. Max. 10C-11C

(50F-52F)

W. Midlands, S.W. England, S. Wales, N. Ireland

Cloudy, occasional rain. Max. 10C-11C (50F-52F)

N. Wales, N.W. England, Lakes, Isle of Man, S.W. N.W. Scotland, Cent. Highlands

Cloudy with rain. Max. 8C-9C (46F-48F)

Cent. N.E. England, Borders

Cloudy, rain and sleet. Max. 8C-9C (46F-48F)

Outlook: Cloudy and rain, with sleet.

Long-range forecast for the next 30 days: Cold and warm spells. Rainfall near or above average, except in the north-west.

BUSINESS CENTRES

Amsterdam, S. 11, Madrid, F. 17, 43

Bahrein, R. 17, 43, Manchester, F. 17, 43

Bombay, I. 17, 43, Melbourne, F. 17, 43

Buenos Aires, A. 17, 43, Milan, I. 17, 43

Calcutta, I. 17, 43, Moscow, U.S.S.R. 17, 43

Canton, C. 17, 43, New York, U.S.A. 17, 43

Cebu, P. 17, 43, Perth, A. 17, 43

Colon, P. 17, 43, Rome, I. 17, 43

Hankow, C. 17, 43, Singapore, S. 17, 43

Hong Kong, C. 17, 43, Stockholm, S. 17, 43

Kobe, J. 17, 43, Taipei, R. 17, 43

London, U.K. 17, 43, Tokyo, J. 17, 43

Lyons, F. 17, 43, Vancouver, C. 17, 43

Manila, P. 17, 43, Warsaw, P. 17, 43

Medan, I. 17, 43, Zurich, S. 17, 43

Mumbai, I. 17, 43, 43

Dunlop International moves

BY JAMES BARTHOLOMEW

DUNLOP INTERNATIONAL, owned 60 per cent by Dunlop Holdings of the U.K. and 40 per cent by Pirelli, is moving its base from England to Zurich.

The company holds Dunlop's investments in the U.S., South Africa, Nigeria, and elsewhere overseas. Its capital and reserves in the latest published balance-sheet were £66m, although that is thought to undervalue its true worth. Since it is a holding company, the transfer is not expected to lead to any substantial movement of staff.

Mr. Ken Gardener, Dunlop's finance director, said yesterday that the main advantage would be "financial flexibility." The move would enable overseas investments to be made with greater freedom than if the company stayed in England.

Dunlop International is a special case, because it is 40 per cent owned by the two main Pirelli companies, Pirelli SpA in Italy and Pirelli SA in Switzerland. In addition the only investments it is taking to Switzerland are those in foreign countries. Its British investments, about a quarter of its total, and cash are to remain in the U.K.

Many other British companies with international interests are thought to be keen to move their international holding companies abroad, too, but this is not generally permitted. The Bank of England considers each case on its merits.

Mr. Gardener emphasised that a large portion of the company's earnings would still be remitted to the U.K., because they would be needed for the parent company's dividends and other payments.

Nevertheless, he said, obtaining permission for the move from the Bank of England, the Inland Revenue and the Swiss authorities was "a considerable coup."

Tax advantages were not a factor, he said. For those, Holland might have been a better choice.

Continued from Page 1

Deficit

The Finance Bill continued yesterday, with Mr. Denis Healey, the Chancellor, warning the Liberals that the Government would call a snap General Election if they tried to wreck his economic strategy.

As the political parties continued to manoeuvre over the Budget, the most likely prospect was that higher taxpayers would benefit from an alliance between Conservative and Liberal MPs.

Such a defeat for the Government would not dismay Ministers too much, as the cost would not be excessive.

Mr. Healey, interviewed on BBC radio, commented sharply that the Government was not prepared to see the country's recovery wrecked by irresponsible "We shall ask the nation to choose in such a case," he declared.

The motto of the Budget had been "slow and sensible," with the accent on safeguarding the improvements made in the country's economy over the past year.

the stage where the company either had to sell its investment money in setting up a full sales and marketing organisation for it. The business was better suited to a specialist food company, such as Dorsey.

Mars is already well established in the grocery market. As well as the confectionery it sells under its own name, it is also in pet food.

Dorsey is best known for its instant potato products, such as Yonemba, but it recently set up a separate division to develop both meat products for human consumption and meat substitutes.

in the late 1960s. The product went into commercial production in 1972, and is now widely used by food manufacturers and industrial caterers.

It has not made any great impact in shops in spite of a distribution tie-up with the food company, S. Daniels.

On the retail market, it has been the rival process—textured vegetable protein—which has made the biggest inroads. Cadbury's Soya Choice, for example, is made from TVP.

Courtaulds said yesterday that the Kesp business had reached

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THE LEX COLUMN

Post-Budget gloom in the markets

Last Tuesday the Chancellor went to the unprecedented lengths of including a one-point rise in Minimum Lending Rate as part of his Budget package in an attempt to persuade the financial markets that he was steering an acceptable course between fiscal relaxation and monetary restraint. The gamble failed to pay off during the rest of the week.

Alarmed on Thursday by suggestions, quickly denied, of further giveaways planned for July, and depressed yesterday by some March trade figures which were quite as bad as anybody had feared, the markets have been in disarray. The FT 30-Share Index has lost 23 points in the past three days, while on the week the FT Government Securities Index has fallen by nearly 2½ points—continuing a slide which has lasted ever since January 3, the first trading day of the year. In 34 months the index has lost 9 per cent.

Effectively what has happened has been an upward adjustment in yields on gilt-edged, which now return almost 13 per cent at the long end. This reflects the market's expectation that the Government will have difficulty in financing a public-sector borrowing requirement of £8.5bn.—the authorities need to sell around £5bn. of gilts this year.

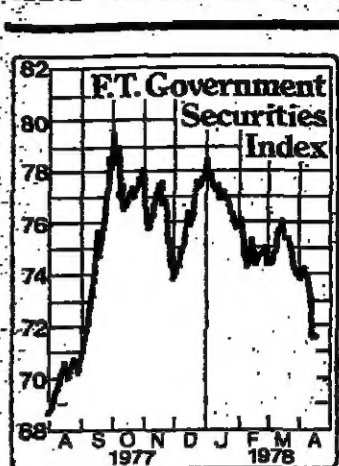
Equity prices have had to reflect these rising yields on gilt-edged. There is also a fear that the private sector could be "crowded out" of the credit market if events do not develop according to official plans. One big danger, highlighted by yesterday's trade figures, is that the Treasury's forecast of more rapid world trade growth will prove over-optimistic.

Bank disclosure

Bankers are a secretive bunch especially when it comes to talking about their bad debt provisions. Consequently, next week's Price Commission report on "Banks: charges for Money Transmission Services" is being awaited with some trepidation.

While burrowing away into the minutiae of debits and credits, the Price Commission appears to have been asking some awkward questions about banks' individual bad debt provisions. The banks apparently refused to disclose their individual experiences but they did give a global figure, and the feeling is that the Price Commission could well recommend

Index fell 5.5 to 447.4



that the banks finally reveal all. This will no doubt cause some huffing and puffing in banking parlours but the Price Commission probably takes the view that since the Price and Incomes Board recommended back in 1967, that the banks should work towards full disclosure "as soon as practicable," they have had enough time.

Such a move would obviously sound the death knell for the "Leach-Lawson" rules under which the clearers have been judging their true profits since they undertook their version of "full disclosure" in 1970.

However, the bulk of the Price Commission's report is likely to be taken up with the more mundane problems of operating the nation's money transmission service. As 120,000 bank staff are employed keeping the wheels turning and the cost is running at £800m. per annum the banks feel that they have a good case for putting up their charges. The Price Commission will doubtless agree but there are likely to be a few pointed remarks about the inefficiencies of the clearers' operations. Which other industry in Britain has increased its staff levels by over a tenth during the worst economic recession since the 1930s?

Matthews Wrightson

It is a tribute to the underlying strength of Matthews Wrightson's insurance broking business that the multitude of problems detailed in the group's preliminary statement have led to nothing worse overall than a 9 per cent drop in pre-tax profits to £2.41m. Apart from the well publicised doubtful debt problems in insurance broking

Just how difficult the going has been is clear from the break-down of the sales increase: at least 10 per cent is accounted for by price rises and almost all of the balance relates to new selling effort which increased by 704 per cent to 912,000 square feet during the six months (the target for the year end is 1m. square feet). Kwik Save has trimmed back on some services and staff costs to cope, while the opening of the Swindon warehouse has been postponed until early next year. With second-half sales growth unlikely to match that of the first period 20th-century profits will do well to reach £10m, against £8.6m. last time. The shares are fully valued on a prospective fully taxed p/e of about 9½, while the yield is 5 per cent.

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